Factors Affecting the Economic Status of Older Women in Canada

Implications for Mandatory Retirement

SUMMARY

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In 1997, the British Columbia Human Rights Commission held consultations to identify needed changes to the British Columbia Human Rights Code. During these consultations women expressed the concern that mandatory retirement has the effect of forcing women out of the workforce and into poverty. Mandatory retirement is the requirement that employees stop working when they reach a specific age, usually 65. The current Human Rights Code only protects workers from discrimination on the basis of age between 18 and 65. Mandatory retirement at age 65 is therefore not considered discrimination in BC.

In response to this concern, the BC Human Rights Commission committed to undertake research to determine if mandatory retirement adversely affects women and, if so, what changes to the Human Rights Code may be necessary. To understand if mandatory retirement adversely affects women, it was necessary to look at the many factors that contribute to the economic status of older women. The Canadian Centre for Policy Alternatives, BC Office undertook this research and a report written by Arlene Tigar McLaren and Margaret Menton Manery has been released. This report, Factors Affecting the Economic Status of Older Women in Canada: Implications for Mandatory Retirement, reviews literature on the causes and effects of poverty for older women and the programs or policies already developed that address their poverty. The authors also identify areas for future research.

This is a summary of that report. To obtain a copy of the full report contact the BC Human Rights Commission at the numbers listed on the back of this summary. The report is also available on the Commission web-site at www.bchumanrights.org.

Introduction

The primary focus of the report and summary is women who are 65 years of age and over. However, because the factors that affect older women's poverty or near poverty are often the result of lifetime experiences, it is necessary to examine women's experiences both before and after retirement. The report also looks at the risk of poverty among different groups of older women such as immigrants, visible minorities, Aboriginal, disabled and/or lesbian women.

To answer the question of whether mandatory retirement discriminates against women, it is important to clarify key concepts of poverty, discrimination and mandatory retirement.

Poverty

This report uses Statistics Canada's low-income cut-offs, or LICOs as they are often called, to measure "poverty." The LICOs represent income thresholds. Families with incomes at or below these thresholds have to spend 56.2% or more of their income on the necessities of life (such as food, shelter and clothing). The low-income cut-offs vary by the size of the family and the population of the area where they live (National Council of Welfare, 1999c).

Mandatory Retirement

Mandatory retirement is the requirement that employees stop working at a particular position once they reach a specified age, usually 65. Contrary to popular opinion, mandatory retirement is not a legal requirement. There is no law that says that people must retire at any particular age. However, human rights legislation has allowed mandatory retirement to be included in employer's personnel policies and collective agreements. The Supreme Court of Canada has upheld the constitutionality of these human rights provisions.

Discrimination

Discrimination is denying someone an opportunity or treating them unfairly because of personal characteristics or circumstances. Discrimination can be an intentional and direct attempt to deny equal treatment, for example a job posting that says "no women need apply." In contrast, adverse effects discrimination refers to a supposedly neutral policy or practice that may be fair for many groups in society but has a negative effect on one particular group.

The question with mandatory retirement is whether it has an adverse effect on women; that is, does it have a negative impact on women, even though it appears to be a neutral policy that treats women and men equally.

The Economic Situation of Older Women

Research shows that poverty among elderly Canadians has decreased substantially since the early 1980s. Improvements in the retirement income system are a major reason for this decline in poverty rates. However, these improvements have not benefited all senior citizens equally.

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In particular, single elderly people who do not live in a family have not experienced the same decrease in poverty rates than elderly families. Unattached elderly women are particularly vulnerable to poverty. Although about one-third of unattached, elderly men currently live on low incomes, almost one-half of unattached, elderly women do so. This "gender gap" in income has been increasing over the past two decades as the incidence of poverty for unattached elderly men has declined faster than for their female counterparts.

Not only are unattached women the group of seniors most likely to be poor - they are also by far the largest group who are poor. In 1997, 65,000 couples; 82,000 unattached men; and 359,000 unattached women were low-income seniors (The National Council of Welfare, 1999c).

Factors that Contribute to Poverty of Older Women

Differences in poverty between older women and men result from many systemic patterns linked to women's longevity, interrupted career patterns, marriage patterns, forms of paid and unpaid work, and lower average earnings. By age 65, women on average have had less opportunity than men to accumulate paid working years, to gain access to private pension coverage, to acquire earnings, to contribute to the Canada / Quebec Pension Plan (C/QPP) and so on.

As many commentators have noted, older women's low income is largely the result of an accumulation of lifelong disadvantage. Unfortunately, several aspects of the retirement income system perpetuate these disadvantages. This report highlights four major factors that help to explain the high rate of poverty for older women.

1. Labour market factors

Women earn less than men. Women's earnings reflect various factors including: the kind of work they do; the value (monetary and cultural) that is placed on women's work; the extent to which women participate in the labour force; and the degree to which women are primarily responsible for unpaid work. The outcome of these systemic patterns is that women who worked full-time for a full-year in 1997 earned only 72.5 % of what men did (Drolet, 1999). When all working women are included, women in 1995 earned only 65 cents for every dollar earned by working men (Townson 1997b).

Women's income compared with men's has improved somewhat over the past few decades, which could suggest that younger women may be in a better position when they retire from the paid workforce. However, a closer look shows that these gains are limited,

unevenly distributed and not securely established. Improvements in women's earnings have been largely restricted to women from the baby boom generation - the position of women in other age groups has remained unchanged, or even worsened. As well, Aboriginal women, immigrant and visible minority women and women with disabilities continue to earn less than women not in these groups (Statistics Canada, 1995).

Women's low earnings have a direct effect on their financial security in old age because both the C/QPP and private pensions are based on replacing a percentage of earnings.

Older women's economic situation is also shaped by the difference in women and men's employment patterns. Women's labour force participation has increased dramatically, which means that more women will earn a retirement pension from the C/QPP. However, women still tend to be segregated in particular occupations and sectors and, relative to men, women participate in more part-time, non-unionized and non-standard jobs. "Non-standard" describes jobs that tend to be temporary, part-time and unstable. Because benefits are usually tied to income, and are often not available to part-time or temporary workers, women also have less access than men to job-related benefits including occupational pension plans, supplemental health care, dental plans or paid vacation (Townson, 1997b).

The report also found that women have less access than men to some publicly funded benefits related to employment. For example, as a result of the new eligibility rules in the Employment Insurance (EI) Act of January 1997, fewer women than men can access EI benefits (LeBlanc, 1999). Women's reduced eligibility for EI benefits will likely diminish their ability to contribute to RRSPs or save for their retirement in other ways.

As summarized below, women continue to be primarily responsible for childcare and are therefore particularly disadvantaged by the fact that childcare is generally not recognized as an employment or workplace policy issue. Childcare is essential for women's participation in the work force, but the cost of childcare can also be a barrier to women continuing to work (National Council of Welfare, 1999a). Research suggests that a major reason that women are employed in non-standard occupations and interrupt their careers more frequently than men is that women receive little support for child care, be it from fathers, governments, communities or workplaces.

2. The Family, Household and Community

Paid work is generally organized based on the male standard of an unencumbered worker, whose domestic life supports his labour force participation, rather than interferes with it. While women's participation in the labour force has increased dramatically during the past several decades, their responsibility for domestic work has not correspondingly decreased. Research shows that women, compared with men, do more housework, take greater responsibility for child care and contribute more than 80% of the long-term care that family and friends provide for people with disabilities or the elderly (Gee, 2000). Women's unpaid labour in the home and community has a direct economic impact on their income, pension accumulation, leaving and re-entering the labour force, balancing work and family responsibilities, promotions and career opportunities (Women's Health Bureau, 1999).

Married women's financial vulnerability is often not apparent until a spouse dies or separation or divorce occurs. The growth of divorce or separation, in particular, has contributed to the "feminization of poverty." Upon divorce or separation, women on average lose 23% in family income while men gain 10% (Galarneau and Sturrock, 1997).

Older women are much more likely than men to be widowed, both because of women's longer life expectancy and because more men than women have a younger spouse. As with divorce, widowhood affects women economically far more than it does men (Prus, 2000).

3. Age-Related Retirement Patterns

The age of retirement is decreasing for both women and men. In 1995 the median age of retirement for women was 61.8 and for men it was 62.4 (Gower, 1997).

Women and men appear to have different reasons for retiring. For example, men who retired earlier were more likely to have been born in Canada, to own their own home, to have a high personal income, to have a job-related pension, and to have worked in the core sector of the economy. While women who were highly educated and skilled were more likely to retire earlier than those who were not, job-related factors were less important than family, marriage and household factors for explaining early retirement. Husbands' characteristics (e.g. his age, level of education and occupational prestige) were significant, but family as a reason for retirement had the most impact on women, reducing their age of retirement by an average of 5.7 years (McDonald, 1996).

Women who may suddenly have to retire to care for an ailing spouse or family member may be unprepared for retirement. Social policies that rely on family members to

provide caregiving may have the effect of drawing highly skilled women out of the labour force and increasing those women's risk of poverty (McDonald, 1996).

A minority of women and men report retiring because of a mandatory retirement policy (Monette, 1996). Surprisingly, where mandatory retirement policies exist, they appear to increase the age of retirement for women and men. The specific impact, however, varies by gender and the economic sector in which the individual works. Women who retired from the periphery sector of the economy, which tends to be made up of smaller firms with small profit margins, were the largest group to say that they retired because of mandatory retirement. For these women, mandatory retirement was associated with increasing their age of retirement by 5.3 years. Though occupations in the periphery sector, especially those in which mostly women are employed, are less likely than occupations in the core sector to have pension plans and corresponding mandatory retirement provisions, women who are subject to such provisions are more likely to delay retirement than other women or men. The reasons these women delay retirement may well be because they cannot afford to retire earlier and they need to reach the mandatory retirement age in order to qualify for full pension benefits (McDonald, 1996).

After retirement, women's incomes continue to be much lower than men's. In 1996, women 65 and over had incomes that were, on average, 61.7% of their male counterparts. The sources of income and the average amounts that women and men receive also differ substantially. Women received lower average amounts of pension and annuity income and C/QPP benefits than men, and depended more on Old Age Security (OAS) and Guaranteed Income Supplement (GIS) (Baldwin and Laliberte, 1999).

4. The Retirement Income System

The retirement income system is composed of government programs, such as the GIS, OAS and C/QPP as well as private pensions and savings.

The Canadian retirement income system has two aims. The first is to provide seniors with high enough incomes to ensure that they are able to live in dignity no matter what their circumstances were during their working years. The second aim is to maintain, to a reasonable degree, their accustomed standard of living. The first objective serves an anti-poverty function and the second an income replacement function. Neither of these goals is being met adequately: more than 600,000 seniors live below the poverty line; and many seniors experience a sharp drop in income when they retire (National Council of Welfare, 1999b).

The system is not effective at protecting older women from poverty. At best it reinforces their low pre-retirement income. In large part, the retirement income system does not address the accumulation of women's disadvantages because it is based on a male model of employment and retirement. Basing the structure of pensions primarily on men's work activities ignores three key aspects of women's work: how much of it is unpaid; women's economic dependence on men; and the poor remuneration that women receive in paid work (Manery, 1999).

Both the C/QPP and private pensions are based on replacing a percentage of earnings. A guiding assumption of pension policy is that retirement income needs to be about 70% of pre- retirement earnings if people are to maintain their standard of living when they retire. This formula pushes many women well under the poverty line. For example, in 1995, the median earnings of women workers was only $17,062; a replacement ratio of 70% would result in a retirement income of just $11,900. This income is well below the low-income cut-off for a single individual living in an urban area (Townson, 1997b).

The C/QPP is also based on the assumption that private pensions will be the primary source of retirement income. However, in 1997 only 26% of single senior women received benefits from an occupational pension (Baldwin and Laliberte, 1999).

Government programs such as GIS, OAS and C/QPP have contributed to the substantial decrease in old-age poverty during the last two decades, particularly for elderly couples. However, these programs have not been as effective at protecting women against the shift from being married to being unmarried (Prus, 2000).

Does Mandatory Retirement Discriminate Against Women?

As a workplace policy, mandatory retirement almost always exists in relation to a workplace pension plan. Plan members must retire no later than a specified age, usually 65. Mandatory retirement may also be required for particular occupations because of the specific requirements of those jobs.

Mandatory retirement does not require individuals to stop working altogether. They may be forced to retire from a specific position, but they could continue paid employment, if not with the same employer, then with another. However, individuals who want to continue working would most likely be forced to replace secure, well-paying jobs with less secure work.

On the face of it, mandatory retirement is a neutral practice. Both women and men are subject to it. However, the research suggests that the ways that mandatory retirement is practised, and its effects, are not neutral. Due to historic, systemic inequalities, women are less economically prepared then men for retirement at age 65, yet they may be required to retire at the same age as men. Mandatory retirement is based on the assumption that the work experiences of men are the norm; it ignores the many ways that women's life experiences differ from men's and, therefore, it may have discriminatory effects for women.

It appears that mandatory retirement does adversely affect some women - particularly those with relatively, well-paid jobs, and private pensions - who wish to accumulate more years of employment and benefits. However, most employed women, whose work may be non-standard, poorly paid and/or with few benefits and entitlements, do not have access to private pensions and therefore are not covered by mandatory retirement rules. Removing mandatory retirement will not improve the economic situation of these women. Women in low-income jobs before the age of 65 are likely, if they continue to work after 65, to remain in low-income jobs, with little opportunity to improve their economic position. Existing basic pensions such as OAS and GIS protect some women from poverty to a greater extent than the job market. In other words, mandatory retirement has different implications for women in different socioeconomic circumstances.

It is also important to recognize that mandatory retirement is not an isolated social practice. It is deeply embedded in workplace negotiations, pension designs, and retirement patterns, all of which are based on 65 as the normal retirement age. The removal of mandatory retirement may initially seem benign - it seems it may give people more "choice" about when to retire. In fact, research suggests that prohibiting mandatory retirement might contribute to a process of dismantling other available retirement schemes and ultimately lead to the removal of many hard-won benefits and rights. With the elimination of mandatory retirement, the social understanding of 65 as an allowable age to retire could be undermined, the age of eligibility for pensions delayed, and the benefits of public pensions reduced. The claim to "a right to work," often made by those who want to work past the age of mandatory retirement, could become, for the less fortunate, "an obligation to work" past age 65 (Adams,1992).

A delay or a reduction in public pensions would particularly hurt women who have fewer alternative sources of private, retirement income than men. Women who are already poor, or who experience multiple forms of discrimination, would likely suffer more from the banning of mandatory retirement and a corresponding introduction of more private and flexible pension plans, than from the current permissibility of mandatory retirement.

In being "gender neutral," and having adverse effects on women, mandatory retirement is not an isolated practice, and it is not the most important. Mandatory retirement is part of a complex web of supposedly neutral, systemic obstacles that make women's experiences invisible. Other policies and practices, such as pension plans based on employee contributions, the lack of appropriate child care and the use of retirement replacement ratios as an indicator of pension adequacy, treat men's experiences as the norm and hide the complexity and the pervasiveness of the systemic discrimination that women experience.

Conclusion

In the long-term, a reduction of poverty for older women is dependent on increasing economic equality for women of working age. Removing barriers to women's participation in occupations and sectors that are currently male dominated, recognizing the value of work traditionally seen as "women's work" and ensuring equal pay for work of equal value will improve the economic status of working women. Economic equality for women also requires the development of an economy and society that is not dependent on women's unpaid labour, but which supports women's participation in the workforce by providing child care, support for sick or disabled family members, an so on.

Even if there was political will and a broad societal consensus concerning these long-term goals, change would not be quick. More immediate steps are essential. To address the current poverty of older women, it is necessary to focus on pension programs that support women in their old age regardless of their employment history and marital status. In general, women have much less control over their employment opportunities than do men due to the historic patterns of the labour market, family, community and the state. Moreover, when marriages end, whether through separation, divorce or widowhood, women are more likely than men to be thrust into poverty. Women have had far fewer opportunities than men to accumulate income, to use it for their own purposes, to save and to invest.

It is also important to look at the complex ways that women may be polarized economically between those in fairly secure, high-paid, standard jobs and those in insecure, low-paid, non- standard jobs, or in no jobs at all. Human rights agencies and government need to address the interacting dimensions of inequality, and the various ways that different groups of women may be adversely affected by social practices such as mandatory retirement. In particular, agencies need to address the plight of older women who suffer multiple, compounding disadvantages. It is unlikely that the market alone will address systemic discrimination.

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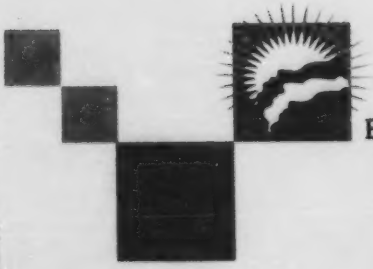

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Chapter I

Introduction

The aim of this study is to determine if mandatory retirement adversely affects women and to what extent changes to the Human Rights Code may be necessary. To understand if mandatory retirement adversely affects women, it is necessary to look at the many factors that contribute to the economic status of older women. In particular, this report reviews the research literature on the causes and effects of poverty for older women and the programs or policies already developed to address their poverty.

1. Key Concepts

To understand the above questions, we need to define the central concepts of poverty, mandatory retirement, discrimination, and older women. These concepts have acquired a variety of meanings, with different theoretical and political implications. They also may be measured in research in varied ways.

Poverty and low income

Most social policy researchers in Canada have used Statistics Canada's low-income cut-offs, or LICOs as they are often called, to measure "poverty." The LICOs represent income thresholds. Families with incomes at or below these thresholds are said to live in "straightened circumstances" because at this level of income, they would have to spend a disproportionate amount of their income on food, shelter and clothing. The average Canadian family spent 36.2% of gross income on food, shelter and clothing according to 1986 data on spending patterns. Statistics Canada defines as "low income" those who have to spend at least 20 percentage points more than the average family on these items. Thus the 1986 base LICOs assume that "low income" Canadians spend 56.2% or more of their income on these necessities. The low income cut-offs vary by the size of the family unit and the population of the area of residence (National Council of Welfare, 1999c). Since 1990 Statistics Canada has produced two sets of LICO measures: LICOs "before tax" (the traditional LICO measure) and LICOs "after tax." The before tax LICOs are based on income after government transfer payments such as the Canada Child Tax Benefit, Old Age Security pension, Employment Insurance benefits and provincial or territorial welfare payments, but before the deduction of federal, provincial or territorial income taxes. After tax LICOs take before tax income and then deduct federal and provincial or territorial income taxes. In this report we are relying (primarily) on low income statistics produced by the

National Council of Welfare. These National Council of Welfare reports use Statistics Canada's 1986 base, before tax LICOs.[1]

The National Council of Welfare, like many other social policy groups, regards the LICOs as poverty lines and uses the terms "poor" and "low-income" interchangeably. As the National Council of Welfare (1998-99) suggests, the LICOs are not the only measures of poverty used in Canada, but they are the most widely accepted and are roughly comparable to most alternative measures.

Various terms may be used to indicate poverty, based on Statistics Canada's LICOs, such as poverty rate, poverty line, low income, incidence of poverty, and risk of poverty. To further understand poverty, it is also important to consider its severity, that is, the "depth of poverty." This measure indicates the extent to which poor people live below the poverty line.

Another concept that requires examination is "near poverty." Many people in Canada live just above the poverty line; their life chances may differ little from those living on or below the poverty line. Furthermore, those living near the poverty line are vulnerable to changing circumstances that could readily push them over the line.

Mandatory retirement

While a great deal of research has been done on poverty in Canada, little has been conducted on mandatory retirement. Contrary to some popular misconceptions, mandatory retirement - the requirement that employees stop working at a particular position once they reach some specified age (typically 65) - is not based in law. No legislation mandates that a person must retire at a specified age; rather the law has permitted employer personnel policies, or negotiated collective agreements, to recognize mandatory retirement. Increasingly, the debate about mandatory retirement - whether it is discriminatory or not, or to what extent it is discriminatory - has recognized that women have a particular stake in this issue. Though mandatory retirement on the face of it is a gender-neutral practice, it may have adverse effects on women.

[1] Poverty analysts debate the use of before or after-tax LICOs and the low income rates derived from these two different measures. This debate is beyond the scope of this report. However, it is mentioned here briefly because in general, after tax LICOs produce much lower rates of low income compared with before tax LICOs. This outcome is more accentuated for the "elderly" (those aged 65 and older). Some argue that the before tax LICOs are especially inappropriate for measuring poverty among the elderly because many elderly pay little or no income tax. We have chosen to report rates based on before tax LICOs for several reasons. Before tax LICOs are the most established, widely used and analyzed income rates in public policy and anti- poverty advocacy arenas. Given that we are making use of published data in policy reports, to some degree we are limited by the available information. Additionally, we defer to the expertise of those who publish these reports and who continue to use the before tax measure. Their publications provide a wealth of comparable historical data indispensable to the analysis of trends over time. Regardless of the measure chosen (before or after tax), the general pattern of inequality (gender, race, ethnicity/aboriginal status etc.) among the elderly remains essentially unchanged. Therefore, the conclusions we reach about the differential impact of mandatory retirement would not be altered significantly by use of the after tax measure.

Discrimination

The concept of discrimination is especially complex. Its meaning has shifted over time and also varies according to social, political and ideological perspectives. Canadian human rights laws have developed distinctions between two forms of discrimination: intentional (direct) and adverse effects. Direct discrimination refers to practices or rules that explicitly discriminate (e.g., "No blacks need apply") on a prohibited ground (e.g. race, sex, age, disablement) as a reason to deny equal treatment. In contrast, adverse effects discrimination refers to an ostensibly neutral policy or practice that has a disproportionate effect on a group defined by a prohibited ground (Greschner and Prescott, 1999). In other words, the laws recognize the effect that discrimination has on the victim, not just the intent of the perpetrator. Recent court decisions, however, have challenged the distinction between direct and adverse effect discrimination and argued for a new approach that integrates the various meanings of discrimination. For example, in the Tawney Meiorin[2] case, Supreme Court Justice McLachlin noted that the conventional approach of categorizing discrimination as "direct" or "adverse effect" discrimination was helpful in the interpretation of the early human rights statutes, and represented a significant step forward. However, she argued, this bifurcated analysis is unnecessarily complex and artificial. The distinction has become blurred, malleable (indeed "chimerical") and unrealistic (e.g., the cruder brand of openly direct discrimination is less prevalent nowadays than the more subtle types of discrimination, which aggregate to the level of systemic discrimination). The Meiorin case illustrates how conventional analysis can shield systemic discrimination from rigorous scrutiny. In McLachlin's view, a new unified approach that simplifies the guidelines that structure the interpretation of human rights legislation in Canada is desirable (British Columbia (Public Service Employee Relations Commission) v B.C.G.S.E.U, 1999).

Older women

The primary focus of this report is upon women who are 65 years of age and over. But a more accurate definition would be women who have left the labour force because of age or who are eligible for an age-related pension. The factors, of course, that affect older women's poverty or near poverty are often the result of life-time experiences. We, therefore, examine pre- retirement as well as the retirement experiences of older women.

We look also at the risk of poverty among different groups of older women such as immigrants, visible minorities, Aboriginal, disabled and/or lesbian.

[2] Tawney Meiorin, a female, forest firefighter, claimed that the standard physical fitness test for her occupation was discriminatory. The Supreme Court of Canada ruled in her favour.

2. The Economic Situation of Older Women

Incidence of poverty

There is no doubt that women are much more likely than men to be poor in old age (Townson, 1988). Since the 1970s, however, the incidence of low income among seniors has decreased substantially. In 1980, 27.3% of all men and 38.4% of all women 65 and older had a low income. By 1996, 12.4% men and 23.9% women of that age group were poor. These poverty rates varied according to province: the lowest rate was in Saskatchewan for senior men (6.1%) and in Newfoundland for senior women (14.5%); the highest rate was in Quebec for senior men (20.2%) and for senior women (37.4%). Quebec has a high rate mainly because it does not have a provincial income supplement for low-income seniors (National Council of Welfare, 1998). In 1997 (the last year for which LICO data are available), the national poverty rate for women 65 and over fell to an all-time low of 21.6%. In British Columbia, the poverty rate for women 65 and over was 22.1% and for their male counterparts, 12.3% (National Council of Welfare, 1999c).

Such positive change is all the more significant because the economic context has worsened, leading to smaller rates of economic growth and to general wage stagnation in recent years (Baldwin and Laliberte, 1999). A major reason for the declining rates of poverty among the elderly is the improvement in the retirement income system, such as the federal Guaranteed Income Supplement (GIS) for the low-income elderly and the maturation of the Canada and Quebec Pension Plans. Nevertheless, these improvements have benefited elderly men more than elderly women (Townson, 1988).

Older women's average income expressed as a percentage of older men's income barely changed in the comparison years of 1981 (62.4%), 1989 (61.6%) and 1996 (61.7%). In fact, the gender income ratio declined slightly, suggesting that women's relative position worsened. In 1996, older women's average income was $15,662; men's was $25,382 (Baldwin and Laliberte, 1999).[3]

Since 1980, elderly families (two persons or more) experienced the most dramatic decline in low income.[4] Their poverty rate fell from 19.2% in 1980 to 6.8% in 1997 (see Table 1).

[3] Baldwin and Laliberte (1999) use "pre-tax" income amounts.

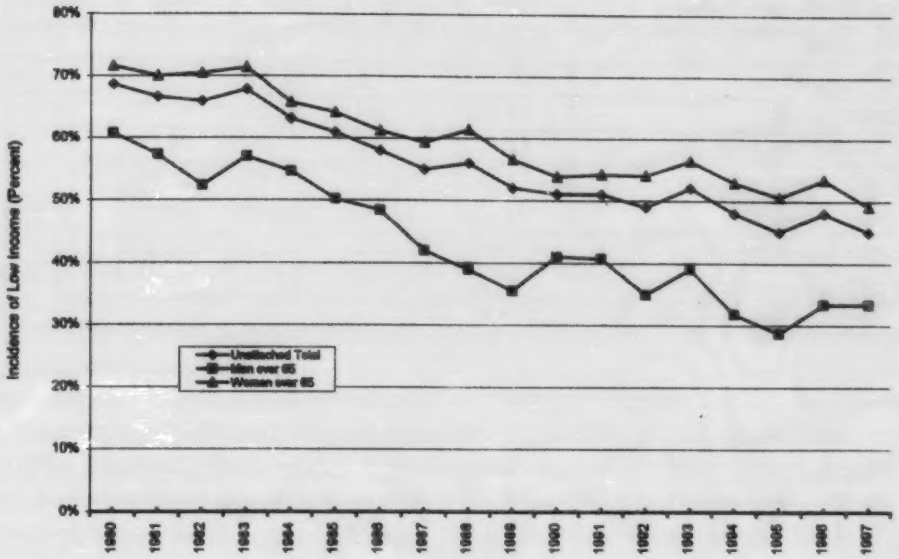
[4] In 1996, 69.4% of all people aged 65 and over lived with family members (as family head or spouse, or with their extended family). A greater proportion of men aged 65 and over (82.1%) than women (59.8%) lived with family. Women 75 and over were especially unlikely to live with family: women 75-84 (49.1%), 85 and over (40.2%); men 75-84 (79.6%), 85 and over (69.4%) (Statistics Canada, 1999a).

Table I: Incidence of low income for selected family unit types for selected years					
Selected family unit types	**1980**	**1985**	**1990**	**1995**	**1997**
Elderly families	19.2%	15.2%	7.6%	7.8%	6.8%
Non-elderly families	12.4%	14.3%	13.1%	15.4%	15.3%
Unattached elderly	68.6%	60.9%	50.7%	45.1%	45.0%
Unattached elderly men	60.7%	50.2%	41.0%	28.7%	33.3%
Unattached elderly women	71.6%	64.1%	53.8%	50.6%	49.1%
Unattached non-elderly	34.5%	37.1%	32.4%	37.2%	37.5%
Unattached non-elderly men	20.0%	33.5%	29.0%	34.8%	35.1%
Unattached non-elderly women	41.1%	42.0%	37.1%	40.4%	40.9%
Source: Statistics Canada. 1999b. Cat. 13-207-XPB: 34-35.					

The low-income rate for unattached, older individuals has also declined. In 1980, over two-thirds of unattached elderly had low incomes whereas in 1997 the rate declined to less than one- half. Unattached, elderly men's incidence of low income dropped from 60.7% to 33.3%, whereas the incidence for unattached, elderly women fell from 71.6% to 49.1%. During this period, the gap in the incidence of low income between unattached, older men and women widened from 10.9% in 1980 to 15.8% in 1997.

Overall, the decline in the poverty rate among unattached, elderly individuals is less marked than for elderly families, and the incidence of poverty among unattached, elderly women - almost one-half — is markedly high (see Figure 1).

Figure 1: Unattached elderly, 65 years of age and over in low income by age and sex, 1980 to 1997



Source: Statistics Canada. 1999b. Cat. 13-207-XPB: 34-35.

The incomes of many elderly, especially the unattached, are concentrated around the LICOs thresholds. Approximately two- thirds of the unattached elderly have incomes that are within 33% (above or below) of the LICO. Again, unattached, elderly women - three out of four — are disproportionately represented among those whose income hovers around the LICOs. Unattached elderly women over the age of 75 are notably at risk of poverty, as a large proportion live just above the LICOs. A slight drop in income would plunge many more into poverty (Baldwin and Laliberte, 1999).

Unattached, older women have the highest incidence of low income among seniors and are also by far the largest group. In 1997, 65,000 couples; 82,000 unattached men; and 359,000 unattached women were low-income seniors (The National Council of Welfare, 1999c).

Differences exist between women in their experience of racism, physical or mental ability, access to resources, experiences of abuse, family environment/support systems, what others expect of them, income, geography, and so on (Women's Bureau, 1997).

Nevertheless, as Monica Townson (1995a) notes, almost no data are available on the economic situation of women who face multiple disadvantages. Regular statistics on earnings and wealth do not generally make distinctions according to race or disability; pension plan and taxation data do not indicate racial minority or Aboriginal status. Furthermore, very little data are available that examine these statuses along with gender and age, or how the various dimensions interact with one another. What, for example, is the economic situation of older Aboriginal women who have a disability? (See Dion Stout and Kipling (1999) who examine long-term disability by sex and Aboriginal status, but not age.) Available data can only provide a roughly approximate indication of the diverse, economic situation of older women.

Aboriginal older women

Aboriginal women may be defined as women with ethnic origins that are North American Indian, Metis, or Inuit. North American Indians include persons with status and non-status recognition (Statistics Canada, 1995). According to the Statistics Canada report, Aboriginal women are doubly disadvantaged, due to their gender and their Aboriginal origins. In 1991, they made up 4% of all women in Canada. In 1990, among older Aboriginal women, almost one-third (31.3%) of those aged 65 and over lived on low incomes. In contrast, other groups aged 65 and over had the following low-income rates: 22.4% of Aboriginal men; 22.9% of non-Aboriginal women and 13.7% of non-Aboriginal men. (Statistics Canada, 1995). These figures do not distinguish family status and the extent to which older unattached Aboriginal women would fall below the poverty line.

Immigrant older women

Statistics Canada (1995) defines immigrant women as those who are not Canadian citizens by birth, but who have been granted landed immigrant status; they have the right to live in Canada permanently. In 1991, just over 16% of women in Canada were immigrants. In 1990, over one-quarter (25.6%) of immigrant women aged 65 and over had low incomes. In contrast, 17.1% of immigrant men aged 65 and over had low incomes, which was lower than Canadian-born senior women (21.9%), but higher than Canadian-born senior men (12.4%) (Statistics Canada, 1995). Again, these low-income figures by age do not distinguish family status.

The proportion of immigrants living in BC is rising. In 1991, 22.3% of BC residents were immigrants, compared with approximately 25% in 1996. At the same time, the profile of the immigrant population is changing. For example, the share of the immigrant population who were European born dropped from 49.5% in 1991 to 40.1% in 1996, while those who were Asian born increased form 33.8% to 44.4%. Immigrants who were born in the United Kingdom, however, continued to represent the largest single group (16.6%), followed by Hong Kong (9.9%), China (8.7%), India (8.2%), and the

United States (6.1%) (British Columbia, 1999a). Research is needed on the changing profile of immigration in BC, the increased proportion of visible minorities, and the impact these changes may have on the incidence of poverty among older women.

Visible minority older women

In 1991, women in a visible minority - those who identify themselves as non-Caucasian in race or non-white in colour — accounted for 9% of all women in Canada. Most visible minority women in Canada are immigrants. In 1991, 79% of visible minority women aged 15 and over were born outside the country. In 1990, 29.7% of senior visible minority women had low income, in contrast to 27.6% of senior visible minority men, 22.6% of other senior women, and 13.1% of other senior men (Statistics Canada, 1995).

In 1996, 660,540 persons in BC identified themselves as members of a visible minority. Of these, 45% identified themselves as Chinese, 24% as South Asian, 7% as Filipino, 5% as Japanese, and 19% as "other." "Visible Minority" representation was 17.9% of the total BC population in 1996, with three out of ten visible minorities born in Canada (BC Statistics 1999d). The data do not distinguish immigrants according to gender or age.

Disabled older women

Statistics Canada uses the World Health Organization's definition of disability, which refers to "any restriction or lack (resulting from an impairment) of ability to perform an activity in the manner or within the range considered normal for a human being" (Statistics Canada, 1995: 166). The disability rate increases with age: in 1991, 26% of women aged 55-64 had disabilities compared with 48% of those aged 65 and over. Until the age of 74, the prevalence of disability is roughly the same for women and men; after that age, the prevalence is higher among women than men. For example, for seniors between the ages of 75 and 84, about 53.3% men and 59.1% women have disabilities (Bunch and Crawford, 1998). In 1990, the average income of women 65 and over with disabilities was $14,365 compared with $20,625 of their male counterparts (a ratio of 69.6%) (Statistics Canada, 1995).

Chapter II

Factors that Contribute to Low Income and Poverty Among Older Women

As many commentators have noted, older women's low income is largely the result of the accumulation of lifelong disadvantage (Townson, 1988). In comparison with men, women are disadvantaged in many different ways. In this report, we identify several major factors: the labour market; the family, household and community; age-related retirement patterns; and the retirement income system. We include within each of these broad factors, specific elements that help to explain women's higher rate of poverty in old age. These elements are interconnected and not easy to separate. Further, changing circumstances have led to differential experiences of specific generations and cohorts. This review will not be exhaustive, but will highlight factors that other researchers have identified as significant.

1. The Labour Market

Earnings

Women's lower relative earnings from paid work are critical to understanding older women's poverty. Women's earnings reflect the kind of work that they do, the value (monetary and cultural) that is placed on women's work, the extent to which women participate in the labour force, the degree to which women are primarily responsible for unpaid work, and so on.[5] Furthermore, women's earnings have a direct impact on their pension benefits and abilities to save for their futures. Many of these earning- related issues are shaped by historic and ongoing structural and systemic patterns.

Women's earnings relative to men's have increased gradually over the past few decades, but a gender earnings gap remains. In 1967, women in full-time, full-year employment in Canada earned, on average, 58.4% of that of men. Three decades later, in 1997, this ratio had increased to 72.5% (Drolet, 1999). However, this ratio does not address the earnings of women and men who do not work full-time/full-year. [6]

[5] This report reviews literature on the official rather than the hidden or underground economy (e.g. bartering of services for goods; under-the-table cash sales for goods and labour). How this underground economy is related to women's poverty would be a topic for further research.

[6] Full-time/full-year work comparisons are less relevant than they used to be because of the rise for both men and women of non-standard work (see Townson, 1997b, and section below on non- standard work).

The decline in the earnings differential is partly due to the fact that women's earnings increased at a much faster percentage rate than men's. For example, between 1985 and 1995, the average earnings of all women (full-time full-year workers and others, including part-timers) increased by just over 16%, compared with less than 1% for men. However, in measuring women's and men's separate progress, these figures obscure the fact that men had much higher average earnings to begin with than women.

The earnings gap between women and men is larger when all types of workers (full-time full-year and others, including part-time) are considered. Thus despite the apparent gains, in 1995 the average earnings of all women still only constituted 65% that of men. In other words, for every dollar earned by men, women earned about 35 cents less (Townson, 1997b).

Another way to consider the progress of women in the "earnings race" is to assess the changing distribution of women and men's earnings against the standard set by all paid workers. In adopting this approach, Scott and Lochhead (1997) point to some improvements in women's earnings position in the period 1984 to 1994 as reflected in the growing proportion of women in the highest earnings decile (earnings over $51,000). In 1984, women were only 11.5% of the earners in the highest decile; by 1994, they were 17%. But their main and most sobering finding is that women continue to be over-represented at the bottom of the earnings distribution even while the degree of that over-representation has lessened. For example, in 1984, almost four- fifths (77.4%) of female earners were found in the bottom six deciles of the earnings distribution of all earners. This declined slightly to 70.9% in 1994. In contrast, the earnings profile of men remained essentially unchanged over this time period with less than one-half of male earners (46.1% in 1984 and 45.3% in 1994) in the bottom six deciles. A similar pattern is observed if the analysis is restricted to full-time, full- year workers.

In their ability to save and prepare for the future, it might be argued that younger women will benefit more than older women from the declining earnings gap. This interpretation rests on the greater likelihood of younger women participating in paid employment for a larger proportion of their income-earning years and more of these years of paid employment occurring when the gender income gap was narrower. However, the research findings of Scott and Lochhead suggest that this assumption might be too optimistic, at least for some younger workers. Women are still over-represented in the lower earnings deciles. Any improvements observed in the earnings position of women is restricted largely to members of the "baby boom" generation (those 40 to 54 years of age in the time period considered). The position of women in other age groups has remained unchanged or worsened. For example, the convergence in earnings of young (male and female) workers is due to the erosion of young men's earnings rather than gains made by young women. As a result, Scott and Lochhead conclude that there is limited evidence that women are "catching up." Rather, the gains that have been made are limited, unevenly distributed and not securely established.

Gender earnings ratios among Aboriginal peoples largely replicate those obtained among non-Aboriginals, with Aboriginal women earning, on average, substantially less than their male counterparts. In 1990, Aboriginal women in full-time full-year employment earned on average 72% of comparable men ($23,773 vs $32,855), a slightly higher ratio than non-Aboriginal counterparts (67%). The striking difference between Aboriginal and non-Aboriginal peoples is the lower average earnings and considerably higher rates of low income among the former (Statistics Canada, 1995).[7]

The overall gender earnings ratio among visible minorities is similar to that observed for Aboriginals and non-Aboriginals. In 1990, visible minority women in full-time full-year employment earned on average 71% of comparable men ($24,650 vs $34,495). Though the difference in average earnings and low incomes between visible minorities and other persons is not as striking as between Aboriginal and non-Aboriginal peoples, it is still very high (Statistics Canada, 1995).[8]

The gender earnings ratio (64.9%) among immigrants who worked full-time full year in 1990 parallels very closely that for Canadian-born men and women. In addition, the average earnings of immigrant and non-immigrant men and women were almost identical for every age group. Even so, the incidence of low income was higher among immigrants, in particular immigrant women, than their Canadian-born counterparts (Statistics Canada 1995).[9]

As in the non-disabled population, women with disabilities make less money than their male counterparts, but the gender earnings ratio is overall considerably lower. For example, in 1990, the gender earnings ratio among persons with disabilities, living in private households and not in health-related institutions, and who were aged 35 to 64 was about 55%. Women with disabilities aged 35-54 had the highest average income, but it was only $16,935; their male counterpart's average income was $30,590 (Statistics Canada, 1995).[10]

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[7] In 1990, Aboriginal women working full-time, full-year earned on average over $2,000 less than the average earnings of non- Aboriginal women (who earned on average $25,908). Aboriginal men working full-time, full-year earned on average about $6,000 less than their non-Aboriginal counterparts ($38,813). Aboriginal women had the highest rate of low-income (32.7%), followed by Aboriginal men (27.9%), non-Aboriginal women (16.9%), and non-Aboriginal men (13.8%) (Statistics Canada, 1995).

[8] In 1990, visible minority women working full-time, full-year earned on average about $1,400 less than other women ($26,037). Visible minority men working full-time, full-year earned on average about $4,500 less than other men ($39,081). The incidence of low income was high among visible minorities, and almost equally for women (27.7%) and men (26.2%). This pattern holds for all age groups except for those aged 55-64 years, where visible minority men were less likely to have a low income (17.9%) than comparable women (23.8%) (Statistics Canada, 1995).

[9] The rate of low income among immigrant women was 20.9%, among immigrant men 17.8%. Senior immigrant women, in particular, have a high rate of low income (25.6%), in comparison with senior immigrant men (17.1%), senior Canadian-born women (21.9%) and senior Canadian-born men (12.4%) (Statistics Canada, 1995).

[10] Statistics Canada's report, Women in Canada (1995), does not provide directly comparable data across all groups of women. For example, it does not analyze the incidence of low income among disabled women.

Both "equal work" and "pay equity" initiatives attempt to address the systemic wage gap. Every province and territory has legislation requiring equal pay for similar work, but since women and men still tend to be concentrated in different jobs, this approach has not been very effective. Several governments (i.e. federal, Manitoba and Ontario) also have pay equity legislation — addressing equal pay for work of equal value. Pay equity initiatives have made some inroads in reducing the wage gap in particular employment sectors. But such initiatives face difficulties in determining which jobs are of "equal value," and in addressing the gender segregation in the labour market (McDermott, 1996). Furthermore, employers may launch procedural challenges to pay equity awards that end up overturning them or seriously delaying settlements. In 1984, for example, the Public Service Alliance of Canada union filed a pay-equity complaint against the federal Treasury Board. In 1998, the Canadian Human Rights tribunal decided in favour of the complaint. The settlement was awarded to about 50,000 current and 140,000 former federal employees (almost 15% of whom were men) and was the largest human rights ruling ever made (Canadian Human Rights Commission, 1999). In response, the federal government applied for judicial review of the decision. Finally, however, on October 19, 1999, Mr. Justice John M. Evans of the Federal Court of Canada upheld the tribunal's decision. The total amount of the award is estimated to be between $3.3 and 3.6 billion (Pay equity, 1999).

Employment equity initiatives also attempt to address income inequality, as well as other forms of workplace inequality. The federal Employment Equity Act, which came into effect in 1986, is meant to achieve equality in the workplace for four target groups: women, Aboriginal peoples, persons with disabilities and persons who are members of visible minorities. The Act applies to the federal public service, federally-regulated employers in the private sector and Crown corporations with 100 or more employees, and companies who do at least $200,000 worth of business annually with the federal government. In 1997, the Act covered 346 organizations employing over 570,758 workers (Canada, 1998). In addition, several provincial governments have implemented employment equity plans; (in 1995, however, the Ontario government repealed its provincial employment equity laws). British Columbia does not have employment equity legislation, but instead has limited protection under the Human Rights Code for wage disparities based on sex where employees are employed by the same employer and perform similar or substantially similar work (British Columbia Human Rights Tribunal, 2000)

In 1997, the average salary of women full-time workers who were covered by the federal Act represented 75.9% of their male counterparts, only slightly above the ratio for all full-time employees in Canada (72.5%) (Canada, 1998). Women, including those who are represented in the three target groups, continue to be concentrated in the low salary ranges. In 1997, 27.3% of women working full-time covered by the Act, compared with 9.8% of their male counterparts, earned less than $30,000. Apart from men with disabilities, full-time working men and women in the three target groups are more likely than others to have incomes in this low salary range. And the gender gap persists. Aboriginal women are the most likely (38%) to earn less than $30,000, followed by visible minority

women (32.3%) and women with disabilities (29.7%). Visible minority men are the most likely to have incomes in this range (18.5%), followed by Aboriginal men (16%) and men with disabilities (8.9%) (Canada, 1998).

Women's low earnings have a direct effect on their financial security in old age. Since both the C/QPP and private pensions are based on replacing a percentage of earnings, women's pensions will reflect their low earning power. A guiding assumption of pension policy is that retirement income needs to be about 70% of pre-retirement earnings if people are to maintain their standard of living when they retire. In 1995, given that the median earnings of women workers was only $17,062, a retirement income replacement ratio of 70% would result in an income of just $11,900. This income is well below the low-income cut-off for a single individual living in an urban area (Townson, 1997b). In addition, because their average earnings are so low, few women are able to save for their retirement and contribute to RRSPs. The capacity to save or to increase their income, and therefore the basis on which their pension benefits will be calculated, is further hindered for women who have been out of the workforce for a period of time, and return to paid employment later, including women who re- enter the workforce after divorce or death of a spouse (Townson, 1988).

Monitoring the earnings gap between women and men provides useful information about the paid labour market. Nevertheless, a recent report by Statistics Canada (Federal- Provincial/Territorial Ministers Responsible for the Status of Women, 1997) suggests that these studies have generally measured women's economic situation against a male standard of full-time, full-year employment. This approach, the report suggests, provides limited information. It does not reveal the extent to which women, in contrast to men, are employed part-time or intermittently; it does not take into account unpaid work. It only acknowledges women's economic situation when their paid work patterns are similar to men's.

In an attempt to address such problems, Statistics Canada has developed economic gender equality indicators that include three income measures: (1) a total income index to account for women's income being more varied than men's, for example, child and spousal support, spousal pension benefits, government transfers in relation to children, maternity benefits and social assistance, in addition to earnings; (2) an after-tax income index because the tax system is the primary vehicle for income redistribution in Canada; (3) a total earnings index — since earnings are the major source of income for women and men — that includes non-earners, part-time, farm and non-farm self- employment.

In 1995, according to the total income index, women received 56% as much income as men (on average $16,600 vs $29,600); according to the after-tax income index, women had access to 60% of the income of men; and according to the total earnings index - which the authors claim better reflects the overall economic reality of women in Canadian society — women's earnings were 52% of men's (on average $14,600 vs $28,000) (Federal- Provincial/Territorial Ministers Responsible for the Status

of Women, 1997). More research is needed on the applicability of these social indicators and how they might contribute to understanding the factors that shape women's lives, based on a model that does not assume a model of "standard" employment.

Labour force participation

Women's lower wages, poorer pensions, and difficulty building up personal savings for retirement reflects the fact that women's and men's employment patterns differ systematically. While women's labour force participation has increased dramatically, it is still lower than men's and continues to predominate in different industrial and occupational sectors. Relative to men, women participate in more part-time, non-unionized, and non- standard jobs; they are more likely to participate in educational and training programs that channel them into lower- paying jobs; and they have less access to job-related benefits and entitlements. Furthermore, patterns of overt discrimination diminish women's participation in the work force. As will be seen below, many of these patterns have changed over time, affecting different cohorts of women as they age.

Women's employment rate has increased dramatically over the past several decades. In 1976, 41.7% of all women (aged 15 and over) were employed. By 1994, less than two decades later, this rate had risen to 51.9% (Statistics Canada, 1995).[11] In 1998, women's employment rate was 53.4% (Statistics Canada, 1999c).

The general trend of rising labour force participation holds for women in all age groups except those aged 65 and over, which has changed very little, and in fact has declined. The participation of women aged 65 and over peaked in 1964 at 6.3%, from a low of 3.6% in 1953. In 1994, their participation rate was even lower than in 1953, at 3.5%. Older men's participation declined more sharply during this same time period. The participation rate of men aged 65 and over was 34.8% in 1953, but only 11.0% in 1994. Differently from women, however, this dramatic decline in labour force participation also includes men under the age of 65. In 1953, 86.5% of men aged 55 to 64 were in the work force, whereas in 1994, only 60.3% were (McDonald, 1996).

As a result of increased participation in the labour force, the "baby boom" generation women have accumulated significantly more years of work experience in comparison with older generations. For example, in 1997, based on average job tenure, "baby boom" women (aged 45 to 49) had almost 12 years of work experience compared with similarly aged women in 1977 who had just 8 years of work experience (Earl, 1999). A slightly different picture emerges when women in the "baby boom"

[11] Paid work can be measured in various ways. In its Women in Canada (1995) report, Statistics Canada uses the employment rate (i.e. the percentage of the population (e.g. women) of working age (15 and over) who are employed). Some other reports use the labour force participation rate (i.e. the percentage of the population of working age who are employed or actively seeking paid work).

generation and "generation X" women (aged 25 to 29 in 1997) are compared. Earl found that both groups had similar participation and full-time employment rates in 1997, but that the younger women had greater problems finding employment.

One of the most significant increases in women's employment has been among those with pre-school children. For example, of the 367,000 employed women who gave birth in 1993 or 1994, almost 9 in every 10 (86%) had returned to work within a year. These women took an average of 6.4 months off work, and about 21% were back to work by the end of the first month after childbirth. Within two years, a full 93% were back to paid work. The maximum 25-week combined paid maternity and parental leave under Employment Insurance may help to explain why many women returned within six months. Sixty percent of those who returned by the end of the first month received no Employment Insurance benefits, compared with just 9% of those who returned later (Marshall, 1999b).

The presence of children and their ages is related to mothers' work schedules but not those of fathers. In 1995, for example, the labour force participation rate of women with children was: 77% of women with children aged 6 to 15; 69% of women with the youngest child 3 to 5; and 62% of women with at least one child under 3. In contrast, 94% of men with children reported that they participated in the labour force, a rate that did not vary, regardless of the age of their children (Marshall, 1999a).

In the post World War Two era, the pattern of unpaid work and career interruptions changed dramatically. Women leaving the work force to have children and returning to work at a later stage was a pattern practiced by women born before the 1960s. Without continuous service, these mothers' entitlement to retirement income under an employer-sponsored pension plan will have been jeopardized, if not eliminated altogether (Townson, 1988).

Since the 1960s, women's fertility rates have declined and they are much less likely to drop out of the work force for long periods of time when they have children. Increasingly, women have postponed having children, are having fewer children, and are less likely to interrupt careers after childbirth (Drolet, 1999). Nevertheless, any interruptions may decrease women's overall earnings and possibilities of accumulating private savings, and benefiting from private pension plans (Townson, 1988).

Women's increased participation in the paid work force means that more women will earn a retirement pension from the C/QPP from their own paid employment and will have accumulated more pension contributions. It does not necessarily mean, however, that more women will have access to other sources of retirement income such as occupational pension plans (Townson 1997b).

Segregation

Despite women's strong presence in the paid labour force, women are not yet proportionately represented in some industrial sectors and occupational groups. In fact, they remain concentrated in a limited number of lower-paying employment sectors.

In 1991, the vast majority (85%) of employed women worked in the service sector — which includes trade, finance, insurance and real estate; business, educational, and health and social services; accommodation, and food and beverage services; other services; public administration; transportation; and communications — as opposed to 62% of employed men (Ghalam, 1993). The service sector in general is the fastest growing area in industrialized countries and is a major source of wealth and employment, accounting for about three-quarters of all jobs in Canada (Galarneau, 1999).

In 1991, 71% of women were employed in just five occupational groups - teaching, nursing or related health occupations, clerical, sales, and service. In contrast, approximately 30% of employed men worked in one of these occupational groupings. Female workers were most concentrated in clerical occupations: 29% of women were employed in this occupation compared with 6% of men. As well, 17% of employed women had service-related jobs, 10% worked in sales, 9% were nurses or related medical professionals, and 6% were teachers (Ghalam, 1993).

Although occupational segregation remains strongly entrenched, it has diminished. In part, this drop is because the proportion of women participating in traditionally male-dominated professions has increased. In 1993, women accounted for 27% of all doctors, dentists and other health professionals, up from 18% in 1982. In 1993, 40% of those working in management and administrative positions were women, up from 27% in 1981 (Status of Women Canada, 1994).

In British Columbia, women have made some progress in acquiring jobs in the management and professional categories. For example, the proportion of school principals who are women rose from 29% in 1991 to 36% in 1996; women engineers almost doubled their representation from 4.3% in 1991 to 7.6% five years later. On the other hand, women made little progress in some highly-skilled and well-paid trades. For example, in electrical and related fields, women's representation in 1996 was 2.9%, and in construction trades, their representation was the same (2.9%). In highly-paid male-dominated primary occupations, women's proportion was only slightly higher. For example, 13.8% of fishers were women, and 7.9% of loggers. In lower paid traditionally female occupations, women represented 73.9% of clerks, 84.1% of cashiers, 93% of childcare and homecare workers, and 98.1% of secretaries. Similarly, in female- dominated professions, women represented 75% of social workers, 79.9% of physiotherapists, 81% of elementary school teachers, 84.4% of librarians, and 94.7% of nurses (British Columbia, 1999c).

As Bunch and Crawford (1998) note, in their review of the factors affecting employment for people with disabilities, women are likely to be in jobs that mimic their role in the home such as

service workers, secretaries, nurses and teachers, whether or not they have a disability. Other patterns of occupational segregation were also consistent among disabled workers. For example, among upper-level managers who had disabilities in 1986, 93% were men, and only 7% were women. In contrast, the majority (75.2%) of clerical workers with disabilities were women, compared with the 24.8% who were men.

Despite employment equity programs, occupational segregation has not altered substantially. Although, in 1997, women represented more than 44% of the workforce covered by the federal Employment Equity Act, they accounted for only 39% of those who were new hires. In 1997, the representation of women workers in jobs covered by the Act decreased slightly. The Act's new classification system of 14 rather than 12 occupational groups now categorizes a higher percentage of women as professionals, clerical, sales and service personnel than in previous years. Almost 87% of all women in the workforce covered by the Act were in seven occupational groups encompassing these types of jobs, with a majority (50.9%) working in clerical jobs. Only 0.2% of all women were classified as senior managers, 8.9% were classified as middle managers, and 11.9% were classified as doing administrative and senior clerical work. In 1996, the percentage of women in the Canadian labour force who were in the same seven occupational groups was lower (78.3%). Only 17% were in clerical work, and a significantly, higher percentage were working in professional, sales and service occupations (Canada, 1998).

The persistence of occupational segregation and its greater prevalence among women in jobs covered by the Act is especially problematic given that many of these women are also members of the other groups targeted by the Employment Equity Act. Unfortunately, apart from salaries (see above), the Employment Equity Annual Report (Canada, 1998) provides little analysis of the interaction of gender with Aboriginal peoples, persons with disabilities, or members of visible minorities.

The Report does indicate, however, that the representation of persons with disabilities in the workforce covered by the Act actually decreased in 1997 and that women with disabilities accounted for a large part (almost 85%) of this decline. In 1997, persons with disabilities represented 2.3% of the workforce covered by the Act, which was lower than the group's representation in the Canadian labour force (6.5%). On a more positive note, the representation of Aboriginal workers in the workforce under the Act continued to increase, from 1.2% in 1996 to 1.3% in 1997, and the number of Aboriginal women increased more rapidly than the number of Aboriginal men. The Report anticipates that if this trend continues, soon, as many Aboriginal women as Aboriginal men will be in the workforce covered by the Act. But the representation of Aboriginal peoples in the workforce covered by the Act was still lower than in the Canadian labour force, which was 2.1% according to the 1996 Census. Similarly, the representation of members of visible minorities in jobs covered by the Act increased, from 9.2% in 1996 to 9.7% in 1997 (with the number of men growing more rapidly than the number of women). This representation is still lower than it is in the Canadian labour force (10.3% in 1996) (Canada, 1998).

Women's occupational segregation in the labour force is a major reason for women's low earnings and low pension coverage, both of which undermine the financial security of women as they reach retirement age (Townson, 1988). Women are, however, also concentrated in fields such as education, health and social services that offer relatively generous pension benefits. In 1995, 85% of workers in government and 76% in educational services, for example, reported having a pension plan, in contrast to the private sector: 50% of clerical workers; 30% of those in sales and service; and 12% of workers in accommodation, food and beverage services (Gower, 1999).

Part-time jobs

A higher percentage of women than men are employed part-time (usually defined as less than 30 hours of work a week). In 1987, for example, only 7.6% of all men but 25.3% of all women who had jobs were working part-time (Townson, 1988). Part-time employment is growing for both men and women. In 1998, the proportion of women who worked part-time increased to 28.6% and the proportion of men increased to 10%, with men's rate still substantially less then women's (Manery, 1999).

Part-time status varies considerably according to age. In 1991, of employed men aged 55 to 64, 6.5% reported that they worked part-time, a slightly lower figure than the national average of 9% for all men in 1992. However, at age 65 and older, 35.7% of employed men reported working part-time. In contrast, 26.5% of employed women aged 55 to 64 reported working part-time (close to the national average for women), and while the data are not very reliable because the figures are small, perhaps as many as two-thirds of employed women aged 65 and over worked part-time (McDonald, 1996).

Some women prefer part-time work because of family responsibilities, but a growing number of women work part-time because they cannot find full-time jobs. In 1994, over 500,000 women, more than one-third (34%) of all female part-time workers, indicated that they preferred full-time employment, but were unable to find it. In contrast, in 1989, 22% of female part-time workers wanted full-time employment (Statistics Canada, 1995).

Although part-time workers contribute to the C/QPP (as long as they earn more than a yearly minimum amount), they generally are excluded from membership in private pension plans. To be eligible to contribute to the C/QPP, a worker's annual income has to exceed the "Year's Basic Exemption," which was $3,500 in 1999 (Human Resources Development Canada, 1999). Where an employer has a pension plan for full-time workers, recent pension legislation in all jurisdictions now requires employers to allow part-time workers to join on a pro-rated basis. But these changes will not help women who are now at or close to retirement. This reform may not do much to help women part-time workers in the future either, because most women who work part- time are em-

ployed in sectors of the economy where private pension plans are the exception rather than the rule (Townson, 1997a).

Non-standard jobs

While the phenomenon of increased part-time employment is fairly well known, it would appear that other types of non-standard employment are increasing more rapidly. Townson (1997b) argues that a growing proportion of the work force participates in "non- standard" work. She estimates that in 1994, non-standard jobs made up 33% of total employment compared with 28% in 1989. A "standard" job is generally defined as a full-time, full-year job with a single employer on a permanent long-term basis, whereas a "non-standard" job is generally characterized as temporary, part-time, and unstable. Part-time work, self- employment, temporary work, or multiple jobs with a series of employers may all be considered non-standard work (Townson, 1997b).

Not all non-standard work is poorly paid, unstable, or prevents retirement readiness. But Townson argues that the growth of non- standard work along with the federal government's priority to reduce the cost of public pension programs may have a greater impact on women's retirement readiness than on men's. Women, for example, are much more likely than men to be employed in non- standard jobs. In 1994, as many as 40% of women compared with only 27% of men held non-standard jobs.

Between 1989 and 1994, however, the rate of increase in non- standard employment was greater for men (22.7%) than for women (14.3%). The percentage of older men, aged 55-64, employed in non-standard jobs (many of whom were self-employed) increased even more — by 36.4% — while the comparable figure for women was 17.1%. Nonetheless, in the 55-64 age group, a much higher proportion of women (41%) than men (30%) were employed in non- standard jobs in 1994 (Townson, 1997b).

Not surprisingly, the presence of dependent children, particularly preschoolers, increases the incidence of non- standard work arrangements like part-time work, irregular work schedules and shift work for women relative to men. In 1995, 23% of mothers with preschool aged children reported working an irregular schedule because of child care or the care of other family members, whereas so few fathers reported this reason that they were not represented in the data (Marshall, 1999a).

Workers in non-standard jobs are unlikely to be unionized or covered by private occupational pension plans. For example, in 1994, 56% of employed workers in standard jobs were covered by a pension plan in contrast to 24% in non-standard jobs. With higher percentages of women working in non-standard jobs, their ability to provide a retirement income for themselves, either through membership in a workplace pension plan or through their own private savings, is likely to be diminished (Townson, 1997b). Furthermore, any eligibility periods for programs that require long-term or full-

time labour force attachment will serve to disadvantage the growing number of women who have non- standard jobs (Women's Bureau, 1997).

Unionization

In 1966, only 15.9% of all employed women were unionized, in contrast to 38.4% of all employed men. Women's unionization has grown steadily and almost doubled to 30.0% in 1995. In contrast, during that same period, men's unionization rate fell slightly to 34.4% (Mainville and Olineck, 1999). Women continue to have a lower degree of unionization than men, but the gap has narrowed considerably. The rise in unionization among female workers is the result of many factors, the most important of which is their increasing presence in the heavily unionized public sector, which had been growing until recently (Akyeampong, 1998).[12] The fact remains, however, that older women have been union members at a far lower rate than their male counterparts. As a result, women's access to occupational pension plans has been substantially lower. In 1995, 81% of unionized employees said they belonged to a pension plan, compared with only 33% of non-unionized employees (Gower, 1999).

Benefits and entitlements

Women's disadvantages in employment are reflected in and exacerbated by their differential access to benefits and entitlements. The Statistics Canada 1995 Survey of Work Arrangements asked workers whether or not they had access to specific benefits where they worked. Almost the same proportion of men and women reported they had access to paid sick leave (58% of men compared with 56% of women). However, more men than women reported having access to such benefits as: paid vacation leave (76% vs 69%); pension plan (54% vs 48%); supplemental health plan (64% vs 54%); and dental plan (59% vs 50%) (Gower, 1999).

Moreover, the generosity of benefits varied. For example, 61% of the lowest-paid workers indicated that they received two weeks of vacation; only 6% referred to four weeks or more. In contrast, 42% of workers who made $20 or more per hour reported that they were entitled to at least four weeks, while only one in ten was limited to two weeks or less. As Gower (1999) notes, pay and benefits usually go hand-in-hand. Women, according to this survey, receive both lower pay and benefits relative to men, which has an impact on their ability to save for the future and prepare for retirement.

Women's access to employment benefits improved due to the Unemployment Insurance Act in 1971, in which major amendments brought in a wide range of benefits, including paid maternity leave for women. Recently, eligible women were entitled to a basic benefit of 55% of previous earnings up

[12] From 1976 to 1992, public sector employment increased by 294,000 jobs; women gained 370,000 jobs, whereas men lost 76,000 (Akyeampong, 1998).

to a maximum $413 per week for a maximum of 15 weeks at the time of the birth of a child. Payments started after a 2-week waiting period. With the Employment Insurance (EI) Act of January 1997, however, new eligibility rules increased the minimum number of work hours in the past 52 weeks from 300 to 700 to qualify for benefits (Marshall, 1999b). As a result, EI has reduced women's regular coverage. Because women are more likely than men to be in part- time and other non-standard occupations and to interrupt their careers for extended periods of time, they are less likely than men to qualify for EI. Since the cutbacks took effect, the number of women who successfully claimed benefits went down by 20% compared with 16% for men (LeBlanc, 1999). In 1998, only 30% of unemployed women as opposed to 41% of their male counterparts qualified for regular EI benefits (see Table 2). Women's reduced eligibility for EI benefits will likely diminish their ability to save for their retirement, for example, to contribute to RRSPs.

Table 2: UI beneficiaries: Number of male and female UI beneficiaries from 1989 to 1998 (with the percentage of unemployed workers receiving UI)

Year	Men		Women		Total for men and women	
1989	491,000	77%	398,000	70%	889,000	74%
1990	549,000	77%	414,000	69%	962,000	73%
1991	686,000	72%	463,000	63%	1,148,000	68%
1992	673,000	63%	462,000	58%	1,135,000	61%
1993	624,000	59%	437,000	52%	1,061,000	56%
1994	511,000	52%	375,000	47%	886,000	50%
1995	424,000	47%	305,000	40%	729,000	44%
1996	405,000	44%	296,000	37%	700,000	41%
1997	399,000	39%	245,000	31%	584,000	36%
1998	330,000	41%	219,000	30%	549,000	36%

Source: Prepared by the Canadian Labour Congress using Statistics Canada data, cited in LeBlanc, 1999: A4.

Women are particularly disadvantaged by the fact that child care generally is not recognized as an employment or workplace policy issue. Child care is not simply an economic matter, but it is an essential component of women's labour force participation. A major reason that women are employed in non-standard occupations and interrupt their careers more frequently than men is that women receive little support for child care, be it from fathers, governments, communities or workplace policies. For example, very little regulated child care exists in Canada, especially for children under 18 months (Status of Women Canada, 1995; Doherty et al., 1998). Women are caught in a catch-22 situation. While child care is essential to women's participation in the work force, the cost of child care inhibits the participation of women in the labour force, especially that of single-parent

mothers. The Canadian National Child Care Survey found that if child care costs rose by 10%, the employment rate of single-parent mothers would drop by about 6% (National Council of Welfare, 1999a).

Education and training

Overall, women have made major gains in education. In 1992-93, the majority (53%) of those enrolled full-time in Canadian university undergraduate programs were women (Normand, 1995). In 1994-95 in British Columbia, women received 56% of the bachelors' degrees, 50% of the masters' degrees, and 31% of the doctoral degrees. Despite women's educational gains, gender segmentation persists. Men predominate in engineering, applied sciences, mathematics and the physical sciences, whereas women predominate in the social sciences, education and health fields (B.C. Ministry of Women's Equality, 1998).

Furthermore, in the fifteen largest trade apprenticeship programs in Canada, women accounted for only 1% of the enrolment in 1992 (Women's Bureau, 1997). In British Columbia in 1997, women averaged 5% of the enrollment in apprenticeship programs. Out of 128 apprenticeship programs, there were 55 in which no women were enrolled, compared with only four programs in which no men were enrolled (B.C. Ministry of Women's Equality, 1998).

Educational attainment is rising among Aboriginal peoples, in particular among women. For example, younger Aboriginal women (those aged 25-44 years) were almost twice as likely (12.6%) to possess a high school diploma in 1991 than older women (those aged 45 and over) (6.8%). The comparable figures for men were 10.3% and 5.0%, respectively (Statistics Canada, 1995). Still, Aboriginal women's higher educational attainment did not translate into higher average income. The proportion of Aboriginal women in 1991 who earned less than $10,000 was considerably higher than their male counterparts. For example, among on-reserve status Indian women, 51% indicated they had earned less than $10,000 in comparison with 42% of their male counterparts (Dion Stout and Kipling, 1998).

Overt discrimination on the basis of sex (gender) and other characteristics

Although systemic discrimination is the primary source of the barriers to women's full economic and social participation, some women experience overt discrimination on the basis of sex. In the past, for example, it was not uncommon for women to be dismissed from employment because of pregnancy (Townson, 1988). Federal and provincial legislation now protects women from many forms of discrimination. In 1998, one-fifth of all complaints received by the Canadian Human Rights Commission involved allegations of discrimination on the basis of sex (Canadian Human Rights Commission, 1999). In British Columbia, the human rights definition of discrimination on the basis of sex has been expanded to include pregnancy, sexual harassment, breastfeeding, and transsexual/transgendered

individuals. In 1997-98, 459 or 42.8% of complaints received by the B.C. Human Rights Commission were based on sex (including sexual harassment) (British Columbia Human Rights Commission, 2000a). In 1998-99, 17.5% of complaints were based on sex; sexual harassment cases constituted 14.5% of complaints received (British Columbia Human Rights Commission, 2000b). In the area of employment, where gender discrimination cases arise most frequently, the B.C. Human Rights Code offers provisions against gender discrimination in employment advertisements, wages, employment, and by unions and associations. Workplace discrimination relating specifically to pregnancy, for example, takes such forms as refusal to hire, demotion, denial of disability and sick leave benefits, and termination (Canadian Human Rights Reporter, 2000).

Various forms of overt discrimination hinder women from remaining in the work force, choosing suitable employment, receiving adequate wages, or advancing in their careers. Persistent stereotypes about women's abilities and roles in life have kept women out of certain sectors of the economy and society. Other forms of discrimination may compound sex discrimination, for example, stereotypes about older women. Stereotypes about visible minority women (including Canadian- born) may help to explain why, despite the fact that they have more university degrees than other women, they have fewer professional positions (Women's Bureau, 1997).

Systemic discrimination on the basis of sexual orientation

The interaction between discrimination on the basis of sex and sexual orientation is particularly difficult to ascertain. The extent to which the economic consequences of discriminatory practices may differ between gays and lesbians is not yet clear. Both women and men who live in same-sex relationships have been subjected to many discriminatory practices, policies and statutes (O'Brien and Goldberg, 2000).

Following numerous legal challenges across Canada, the Supreme Court of Canada, in its May 1999 ruling in M. v H, indicated that governments cannot limit benefits or obligations by discriminating against same-sex, common-law relationships. On February 11, 2000, the federal government unveiled sweeping new legislation — The Modernization of Benefits and Obligations Act - that will amend 68 federal statutes and affect 20 separate federal departments and agencies to extend benefits and obligations to same-sex couples on the same basis as heterosexual, common-law relationships. Under new pension rules, for example, lesbian and gay partners would be able to receive survivor benefits through the Canada Pension Plan, as well as an income supplement through the Old Age Security Act. The proposal, however, does not allow for lesbians and gays to be legally married, to be considered "spouses" (Laghi, 2000b; Government of Canada, 2000). An amendment to the Act, that was introduced on March 22, 2000, explicitly defines marriage as the union of a man and a woman to the exclusion of all others (Laghi, 2000a).

The Modernization of Benefits and Obligations Act will help to overcome the piecemeal approach that governments in the past have taken to remedying sexual orientation discrimination. Governments have generally extended benefits as a result of specific, legal challenges, as in the case of the Nova Scotia government that in 1998 extended the pension plans of civil servants and teachers to cover same-sex survivor benefits (Canadian Human Rights Commission, 1999). Some provinces have, nevertheless, begun to more broadly amend their legislation. In 1997, British Columbia amended numerous statutes, including six core statutes, and on July 6, 2000, the Definition of Spouse Amendment Act received Royal Assent. The latter Act defines spousal relationships, rights and obligations for the purposes of a large number of provincial laws, and provides protection to people in spousal relationships that had not previously been recognized, including those in same-sex, common-law relationships. In June 1999, Quebec amended 28 statutes and 11 regulations to grant the same benefits to same-sex as heterosexual, common-law couples. In October 1999, Ontario complied with the Supreme Court decision in M. v H. by passing omnibus legislation that affects 67 statutes (Government of Canada, 2000).

For the moment, many statutes and regulations that have a bearing upon lesbian and gay retirement security have yet to be remedied and implemented. What impact legislative changes will have on retirement security is not clear. While these remedies equally address both lesbians and gays, they may affect them unequally. Women, relative to men, with same-sex partners may have less access to survivor benefits under the Canada Pension Plan, for example, because contributions to the plan are lower. In any case, future rather than current generations of older women will be the primary beneficiaries of whatever remedies become institutionalized. Needless to say, a lack of census data and other forms of data on sexual orientation and how it interacts with gender, Aboriginal status, disability and so on creates difficulties in examining it as a factor for understanding older women's economic situations.

2. The Family, Household and Community

The organization of paid work is generally based upon the male standard of an unencumbered worker, whose domestic life supports his labour force participation, rather than interferes with it. While women's participation in the labour force has increased dramatically during the past several decades, their responsibility for domestic work has not correspondingly abated. Research shows that women's unpaid labour in the home is a major factor contributing to their occupational segregation, participation in non-standard work, career interruptions, lower pay, and reduced access to benefits, including pensions. While society benefits from women's unpaid labour, including their larger share in the care of children, elders and people with disabilities in their families and communities, society rewards women with few material benefits and social supports for such activity. As a result, women are less able than men to prepare for their retirement, and are much more vulnerable to poverty when they are older, especially when they are "unattached." Younger cohorts of women have greater

opportunities to prepare economically for retirement than their older counterparts, but the proliferation of non-standard jobs and prevalence of the invisibility and devaluing of domestic and community work will continue to have an impact on their retirement readiness.

As Teghtsoonian (1995) argues, work in the paid labour force and much public policy continue to be predicated on the "traditional" family model that assumes the availability of a full-time homemaker to carry out a wide range of activities. In reality, economic and social stress inevitably result - and it is women who generally pay the price.

Some things have changed. Among unmarried young men and women under 25, there is almost no wage gap. Furthermore, younger women and men have different expectations than their grandmothers and grandfathers. Yet, as soon as women and men have children, they retreat to older practices, with women assuming the largest proportion of unpaid caring work even if employed full-time (see, for example, Fox, 1997).

Two-earner families

One of the most dramatic changes in Canadian society has been the increased labour participation of married women. Single- earner families with only the husband employed changed from the norm in 1967 (58%) to the exception (18%) by 1994 (Drolet, 1999). The presence of two earners in a family increases the likelihood of an accumulation of retirement pension benefits for a couple in old age (Poulin, 1996).

But as implied above, husbands generally out-earn wives, and are more likely to have access to benefits and entitlements such as pension plans. While women and men may live in relationships as equal partners, where both parties make joint economic and other decisions, women who experience a partner's economic control and/or physical violence may have no access to household income (Women's Bureau 1997). Furthermore, of course, the partnership may not last.

Besides the labour market, the economic inequality between husband and wife may be based on many subtle factors such as the "mating gradient" in which, for example, women tend to marry men who are older, who have a higher level of education, and so on (Gee, 2000). Such differences in advantages may accumulate over time, creating wider forms of inequality between husbands and wives, contributing, in the case of age, to many more women than men living "unattached" on low income. But by far, the most significant factor that contributes to women's low economic status is their primary responsibility for unpaid work.

Unpaid work

Unpaid work may be defined in a variety of ways. Some research focuses on the "caring" component; others emphasize "housework" and still others suggest a broader idea that encompasses all forms of economic and community activity that are non- remunerated. Bakker (1998: viii) refers to unpaid work as "child care, care for other dependent family members such as the elderly and those with disabilities, and volunteer work of a caregiving nature in the community." The Women's Health Bureau (1999: 73) provides a more inclusive definition of unpaid work, as "work that is critical to family, community, and society as a whole. It includes volunteer work, housework, child care, elder care, and Aboriginal women's unwaged work." This broad definition is useful in that it accounts for the multi-faceted ways that women contribute to the economic and social survival of their families and communities. It allows for the complex, economic undertakings of Aboriginal women - which may include extended periods of fishing and hunting, with the need to earn cash to pay bills and purchase supplies - that are not visible to those outside the community (Dion Stout and Kipling, 1998).

Furthermore, unpaid labour may be intensified due to living in rural or sparsely-settled areas where fewer caregiver and formal services are available and transportation to services may be difficult. And, as the Seniors' Advisory Council (1995) notes, other barriers (linguistic, cultural and political) to gaining access to services exist for First Nations or multicultural communities, resulting in increased unpaid labour.

While research has only begun to recognize the vital contribution of unpaid work activities, it has made clear that unpaid work is primarily carried out by women. Women, for example, accounted for virtually all (96%) of the 3.4 million people who described their main activity as keeping house in 1992. These women made up 30% of the adult female population (Women's Bureau, 1997).

According to the 1990 General Social Survey, over one-half of wives employed full-time (52%) had all the responsibility for daily housework (e.g. meal preparation, meal clean-up, cleaning and laundry), while another 28% had most of this responsibility (Marshall, 1993). Other research shows that the gender imbalance of paid and unpaid work in dual-earner households narrowed between 1986 and 1992. However, a comparison of specific tasks in households shows that in households with young children (i.e. with a child under 6), women's share of paid work increased as did their already high proportion of unpaid child- oriented work (Federal/Provincial/Territorial Ministers Responsible for the Status of Women, 1997).

According to this study, in 1992 Canadian women aged 15 or over had on average a total workload (paid and unpaid) of 8.9 hours per person per day whereas their male counterparts' total workload was 8.3 hours. Women's higher workload was, in effect, equivalent to an additional five weeks per year at a full-time paid job. Beneath the surface of total workload calculations, however, lies a much greater gender imbalance. "When total workload is divided between paid and unpaid work,

there is an overwhelming tendency for men to be predominantly engaged in paid work activities and for women to be the major contributors to society and the economy in the unpaid, non-market sector" (Federal/Provincial/Territorial Ministers Responsible for the Status of Women 1997: 21).

Furthermore, of all the long-term care provided to people with disabilities or to the elderly by family and friends, women contribute more than 80%. Indeed, elder care may take more of women's time than child care (Gee, 2000). Some large corporations have instituted "eldercare" programs to try to keep women who need to care for an aging family member in the labour force without undue penalty. The federal and provincial governments, however, have not pursued the proposed Canadian Pension Plan drop-out- provision for caregivers of the elderly, which would enable them to leave the labour force without losing pension credits (McDonald, 1996).

Canadian policies for elder care continue to take women's unpaid work for granted. According to Gee and McDaniel (1993), various policies could assist families with elder care, for example: assistance in forms of respite care and adult day-care to children giving hands-on care to aged parents; pension policy reform; tax deductions or family allowances for elder care.

What is particularly troubling is that with the current restructuring of social programs, women's unpaid work may increase. For example, Day and Brodsky (1998) argue that the federal government's repeal in 1995 of the Canada Assistance Plan (CAP) and introduction of the Canada Health and Social Transfer (CHST) diminishes governments' commitments to social programs and services. When social programs are cut, the expectation is that women will take up the slack and provide unpaid care for children, husbands, elderly parents, and others. Recent governmental reduction in funding for social programs — for example, the abandonment of plans for a federal childcare policy, the termination of family allowances, lean maternity leaves (and scarcity of paternity leaves), reduction in transfer payments for health and higher education, and so on — adversely affects families, but especially women (Gee 2000).

Women's uneven responsibility for unpaid work has a direct economic impact on their income, pension accumulation, leaving and re-entering the labour force, balancing work and family responsibilities, promotions and career opportunities (Women's Health Bureau, 1999). Working outside the waged economy has made many women vulnerable to poverty throughout their lives. And, women's unpaid work is not recognized and rewarded in pension terms even while it is the invisible backbone of "social" welfare (Gee, 1995).

Marital dissolution and widowhood

Married women's financial vulnerability is often not apparent until the death of a spouse or when separation or divorce occur. The growth of divorce or separation, in particular, has contributed to the "feminization of poverty." Upon divorce or separation, women on average lose 23% in family income while men gain 10% (Galarneau and Sturrock, 1997). Such a loss of income will have an accumulated effect and worsen women's ability to prepare for their retirement.

Older women are much more likely than men to be widowed, reflecting both the greater life expectancy of women relative to men, and the fact that more men than women have a younger spouse. In 1996 in British Columbia, for example, by the age of 80, 71% of men, but only 39% of women live with a spouse or relative (British Columbia, 1999b). Widowhood affects women economically far more than it does men. Although women in the future will have longer work histories and higher earnings profiles, many will continue to experience a sharp income decline when their husbands die because public programs do not compensate for the negative impact of widowhood. While recent changes in retirement income systems (e.g. improved survivor pensions) will better protect widowed women, current social insurance and social welfare programs - which were developed with the two parent, male breadwinner family model in mind - still provide greater protection to couples than to unattached seniors (Prus, 2000).

Women-headed, one-parent families

Couples with children are not exempt from living with a low income. In 1997, as many as 11.9% (that is, about 375,000 couples under 65 with children under 18) were poor. The rate of poverty, however, among single-parent mothers was 57.1%. The poverty rate was particularly high for single mothers with children under seven (as high as 80.2%). In addition poor single mothers under 65 with children under 18 were living in the deepest poverty, with incomes of $9,337 on average below the poverty line (National Council of Welfare, 1999c).

Lone parent mothers experience long-term cumulative disadvantages as pension plan entitlements and other forms of equity are not built up. Many single-parent mothers enter a very vulnerable stage in their fifties when children leave and child support and eligibility for social housing programs cease (McKie, 1993). Female-headed, single-parent families are the biggest group of families to receive social assistance, according to the Report of the Social Assistance Review Committee, prepared for the Ontario Ministry of Community and Social Services. In 1988, about 70% of families receiving social assistance were headed by a female single parent. As the economy continues to adjust and respond to changes in the competitive market place, empty-nester women who were single parents receiving social assistance for a long period of time find that their abilities and skills do not match the demands of the market place (Townson, 1995a)

3. Age-Related Retirement Patterns of Women Relative to Men

Over the past 20 years, the age of retirement has dropped substantially. In the early 1980s, the median age was close to 65. By 1995, it was 62.3 years. The median age for women was 61.8 and for men it was 62.4. Median age of retirement varied by industry. Public sector paid workers retired on average at the age of 59.8; workers in the private sector at 63.1 years of age, and self-employed at 65.1 (Gower, 1997).

Whereas Gower used 1995 Labour Force Survey data, Monette based her study on Statistics Canada's 1994 General Social Survey and found that the average retirement age for women was 58.5 years, compared with 61.4 years for men (Monette, 1996). Although figures differ slightly depending on data source and year of study, the patterns seem to point to a retirement transition that occurs earlier and in increasingly diverse forms since the 1980s. For example, in 1989, 28% of retirees reported taking retirement because of a mandatory retirement policy. By 1994, this figure had dropped to 14% (16% men; 11% women) (Monette, 1996).

Retirement transitions

The reasons for early retirement are complex and include both voluntary and involuntary factors. Monette (1996) found that, in 1994, 33% of retirees took voluntary retirement (e.g. due to early retirement programs or because their spouse was retiring). A smaller proportion (24%) retired solely due to age (because of a mandatory retirement policy or because they felt they were old enough).[13]

One factor contributing to the decision to retire early was the adoption in the Canada and Quebec Pension Plans (C/QPP) and in some registered pension plans (RPP) of the principle of flexibility in retirement age, which allows people to retire before age 65, yet obtain benefits. Other incentives, such as early retirement programs, have also encouraged retirement before age 65 (Monette, 1996).

But many retirees have left their jobs involuntarily. Thirty- four percent of retirees reported retiring due to poor health or unemployment. If women who retired for family reasons are also included, as many as 40% retired involuntarily. Between 1990 and 1994, the number of retirees indicating that they retired while unemployed was 30% higher than between 1985 and 1989 (Monette, 1996).

Schellenberg (1996) compared the pathways of "voluntary retirees" and "displaced workers" and found that those who voluntarily left paid employment are more likely to have adequate retirement income than those displaced by job loss and health problems. The latter have average incomes that are 35 to 40% lower than those of retirees. As Table 3 shows, men in 1992- 1993 who were dis-

13 In Monette's (1996) study, a retired person is defined as a previously employed individual who reported retirement as his or her main activity during the week preceding the survey.

placed had average incomes about $12,000 less than male retirees; women who were displaced had average incomes about $4,000 less than that of female retirees. And of course, very large gaps existed between the men and women, whether or not they were displaced or were retirees.

Table 3: Recent labour force leavers*: Average income by sex, age group and reason for leaving last job, Canada 1992-1993

	Men Aged 55 to 64			Women Aged 55 to 64		
	Retired	Displaced by job loss	Displaced by health	Retired	Displaced by job loss	Displaced by health
Private Sources	29,700	17,100	15,300	10,900	6,800	5,600
Public Sources	4,300	6,000	6,400	2,800	2,800	4,200
All Sources	34,000	23,100	21,700	13,700	9,600	9,700

Source: Prepared by the Centre for International Statistics using Survey of Consumer Finances microdata, 1992 and 1993, cited in Schellenberg, 1996: 160.
*This includes people who are no longer in the labour force and who left their last paid job within the previous five years. Income data refers to previous calendar year during which respondents may have had employment earnings. Amounts have been rounded to the nearest 100.

As Schellenberg (1996: 161) suggests:

> Older workers who are displaced from the labour force have few financial options open to them: they tend to come from low paying jobs and are less likely to have investment income than other workers; they are less likely to be included in employer pensions; and they are often displaced from their jobs before they are eligible for even a partial public pension at age sixty.

The federal government has provided some limited assistance to older, unemployed workers. For example, the Innovations Program for Older Workers has offered wage subsidies and training opportunities to older workers to rejoin the labour force, and the 1990 federal budget provided additional funds to Employment and Immigration Canada for the retraining of older workers. As well, some provinces have developed initiatives for assisting older workers (Gee and McDaniel, 1993).

While the above studies analyze both women's and men's retirement transition patterns, some researchers are critical of the prevailing male models of retirement that dismiss the contributions of women's family responsibilities and the significance of women's marked reductions in income following retirement, in contrast to retired men (Richardson, 1999).

What retirement means may radically differ according to gender. Many women would argue that they never retire from their unpaid work in the home, whether they have been employed in the labour

force or not. However, a large proportion of women are employed and will be considering their age of retirement from paid, if not from unpaid, work. In 1995, 72% of women aged 45-54, for example, were in paid employment (Townson, 1995a).

Studies suggest, nevertheless, that men and women retire from the paid workforce for different reasons. Given that women generally marry men who are older than they are, it seems reasonable to assume that many women leave the paid work force because they want to retire at the same time as their spouse or because they need to care for older spouses. In other words, husbands' retirement may affect significantly the timing of wives' retirement. Wives may retire because their husbands, not themselves, have adequate public and private pensions (Townson, 1995a).

In fact, McDonald (1996) argues that there are "his and her retirement" patterns. She analyzed a subsample of over 12,000 respondents from the 1991 national Survey of Ageing and Independence of people aged 45 years and over. In contrast to previous research that found that retirees who retired early were less educated and had poorer health, McDonald notes, her study shows that early retirement is most common for the economically and socially advantaged. For example, men who retired earlier were more likely to have been born in Canada, to own their own home, to have a high personal income, to have a job-related pension, and to have worked in the core sector of the economy. While women who were highly educated and skilled were more likely to retire earlier than those who were not, job- related factors were less important than family, marriage and household factors for explaining early retirement. Husbands' characteristics (e.g. his age, level of education and occupational prestige) were significant, and suggested a certain reliance of women on their husbands for economic security in retirement. However, family as a reason for retirement had the most impact on women in reducing their age of retirement on average by 5.7 years.

Women who are dependent on their husbands' income and pension plan, and who may suddenly have to "retire" because of an unexpected need to care for an ailing spouse or other member of their family, McDonald suggests, are often unprepared for retirement. The significance of women's family caregiving, she argues, adds fuel to the argument that women and their families suffer as a direct result of social policies that neglect the caregiving that often draws highly skilled women out of the labour force to care for family members. Little is known about what happens when the caregiving is over, but studies have shown that the death of a husband in retirement dramatically increases the risk of poverty in retirement for wives, that continues for years to come after the death.

McDonald (1996) also analyzed a complex set of factors related to retirement decisions, mandatory retirement provisions, and economic sector. Whereas a large majority of the men (about 60%) in the study retired from work in the core sector of the economy — dominated by larger corporate enterprises noted for high productivity, high profits, etc, a large majority of the women (about 67%) retired from work in the periphery sector — dominated by smaller firms, typically with little power over their product market and with relatively low profit margins. Regardless of sector, mandatory

retirement provisions were related to an increase in the age of retirement for all retirees in the survey. McDonald suggests that an increase in age in relation to mandatory retirement provisions as a reason for retirement, while opposite to what one would anticipate, probably occurs because of the full pension benefits that become available at age 65. But she also notes that the impact of mandatory retirement provisions varied by gender and economic sector.

Of the male retirees from the core sector, 15.2% gave mandatory retirement as a reason for retirement, which was associated with increasing their age of retirement by 3.1 years. Of the male retirees from the periphery sector, 13.6% gave mandatory retirement as a reason for retirement, which was associated with increasing their age of retirement by 2.5 years. Of the female retirees from the core sector, 7.7% gave mandatory retirement as a reason for retirement, which was associated with increasing their age of retirement by 1.6 years. Of the female retirees from the periphery sector, 15.4% gave mandatory retirement as a reason for retirement, which was associated with increasing their age of retirement by 5.3 years. These patterns suggest that mandatory retirement, as a reason for retirement, had the most impact on women who had retired from the periphery sector (the majority of the women).

Women in the periphery sector, in comparison with those in the core sector, are more likely to retire for reasons of health and mandatory retirement provisions than for care of a family member. As McDonald (1996: 85) notes,

> Women in the periphery do not leave work to caregive, probably because they cannot afford this activity. Women in the periphery leave work because of poor health and mandatory retirement provisions. Their poor health could be the result of hard and difficult work; the influence of mandatory retirement could be seen as involving a delay in labour force exit in order to qualify for full pension benefits in either the public or semi- private pension system.

Mandatory retirement provisions appear to have more impact on women in the periphery employment sector than on men in this sector or women and men in the core sector. Though the periphery sector (and particularly the kinds of occupations that are predominated by women) is less likely to consist of occupations with pension plans and corresponding mandatory retirement provisions, women who are subject to such provisions are more likely to delay retirement. The reasons for later retirement may be because they cannot afford to retire earlier and because they aim to qualify for full pension benefits upon reaching the mandatory retirement age. For some women, the mandatory retirement provisions linked to pension benefits seemed to serve as an incentive to retire later rather than earlier.

Pre-retirement and post-retirement income

Women's pre-retirement income is much lower than men's (Gower, 1998). As Table 4 indicates, in 1992, as many as 41% of women reported pre-retirement income that was less than $20,000, two-and-one-half times the proportion for men (16%). At the other end of the scale, almost one-half of the men in the study reported an income of $40,000 or more, compared with 16% of women.

Table 4: Retirees by sex and 1992 (pre-retirement) income

	Both sexes	Men	Women	Both sexes	Men	Women
Total	**194,000**	**113,000**	**81,000**	**100%**	**100%**	**100%**
Under $20,000*	**51,000**	**18,000**	**33,000**	**26%**	**16%**	**41%**
Under $10,000*	18,000	7,000	12,000	9%	6%	14%
$10,000 to $19,999	33,000	12,000	22,000	17%	10%	27%
$20,000 tp $39,999	**78,000**	**44,000**	**35,000**	**40%**	**38%**	**43%**
$20,000 to $29,999	39,000	20,000	20,000	20%	17%	25%
$30,000 to $39,999	39,000	24,000	15,000	20%	22%	18%
$40,000 and over	**64,000**	**51,000**	**13,000**	**33%**	**45%**	**16%**
$40,000 to $49,999	26,000	19,000	7,000	13%	17%	8%
$50,000 to $69,999	26,000	21,000	6,000	14%	19%	7%
$70,000 and over	12,000	11,000	1,000	6%	9%	2%

Source: Gower. 1998. Cat. 75-001-XPE: 18. *Includes loss.

Moreover, Table 5 shows that, in 1992, men's pre-retirement income on average was $41,500 and women's was $26,100, and that their income replacement ratios were, respectively, 57% and 61%. The average post-retirement income in 1995 (1992 dollars) was $23,800 for men and $15,900 for women (see Gower, 1998: Table 3)..

The replacement ratios are higher among low-income groups, and are particularly high among men, which Gower (1998) suggests may be due to compensation for injury as a result of dangerous blue- collar work.

Table 5: Average pre-retirement income and percentage of income after retirement in 1995, by sex and 1992 income

	Pre-retirement income			Income replacement ratio		
	Both sexes	Men	Women	Both sexes	Men	Women
Total	$ 35,100	$ 41,500	$ 26,100	58%	57%	61%
Under $20,000*	$ 11,600	$ 11,300	$ 11,800	81%	96%	74%
Under $10,000*	$ 5,200	$ 4,400	$ 5,700	147%	217%	115%
$10,000 to $19,999	$ 15,100	$ 15,300	$ 15,000	69%	75%	65%
$20,000 to $39,999	$ 29,900	$ 30,600	$ 28,900	61%	61%	60%
$20,000 to $29,999	$ 25,100	$ 25,200	$ 24,900	62%	64%	59%
$30,000 to $39,999	$ 34,700	$ 34,800	$ 34,500	60%	60%	60%
$40,000 and over	$ 60,200	$ 61,800	$ 54,200	54%	53%	56%
$40,000 to $49,999	$ 44,700	$ 44,700	$ 44,500	59%	59%	58%
$50,000 to $69,999	$ 58,200	$ 58,100	$ 57,400	56%	56%	56%
$70,000 and over	$ 98,900	$ 99,200	$ 88,700	45%	44%	48%

Source: Gower. 1998. Cat. 75-001-XPE: 19. *Includes loss.

These higher replacement ratios among lower-income women and men exist partly because their pre-retirement income is so low to begin with and because OAS is payable regardless of previous employment.

Women in intermediate and higher income groups had similar replacement ratios as their male counterparts, but this does not mean that the women were as well off after retirement. Similar replacement ratios may occur because employer-sponsored pension plans are gender-neutral policies where intentional (direct) discrimination does not occur, but adverse effects do operate. Women may get the same proportion (as men) of their pre- retirement income replaced, but the level of support this provides (in dollar terms) will be considerably less, on average, than that obtained by men, since women on average earn less than men. Replacement ratios can be misleading since they obscure the lower actual benefits women in general will get compared with men. These ratios can also be a misleading indicator of the adequacy of the pension system in general for lower income groups. For example, a replacement ratio of 115% for women who had an average pre-retirement income of $5,700 gives them an average post-retirement income of $6,600 (Gower, 1998: Table 3).

As noted earlier, Baldwin and Laliberte (1999) show that women 65 and over in 1996 had incomes that were, on average, 61.7% of their male counterparts ($15,662 vs $25,382). The sources of income and the average amounts that women and men receive differ substantially. The amount of pension and annuity income that men and women received accounted for more than half of the gender income ratio. On average, men received $5,254 more than women from this source ($7,950 vs $2,696). Men also received on average $2,002 more than women from C/QPP, $2,103 more in employment income, and $506 more in investment income. Women received on average $550 more than men from OAS, which likely reflects their higher receipt of GIS because of lower income from other sources.

In comparison with men, women received lower average amounts of pension and annuity income and C/QPP benefits as a result of (1) a lower percentage who received income from these sources, and (2) the lower average amounts that they received from these sources. The percentage of older women who received income from pensions and annuities has grown steadily (but has not caught up with men) from only 7.8% in 1981, to 17.6% in 1989, and to 34.2% in 1996. By comparison, the percentage of older men with pension and annuity incomes grew from 39.9% in 1981, 48.3% in 1989 to 57.4% in 1996. The average amount received from this source by all older women as a percentage of all older men increased modestly from 30.3% in 1981 to 33.9% in 1996.

The percentage of older women who received C/QPP income was 35.2% in 1981 and increased significantly to 70.3% by 1996. Average amounts received by all older women from the C/QPP as a percentage of the average amounts received by all older men grew from 38.1% in 1981, to 47.2% in 1989, and to 59.5% in 1996. Among the older women who actually received C/QPP income, the average amounts, relative to their male counterparts, declined slightly: 78.1% in 1981; 74.2% in 1989; and, 75.7% in 1996.

OAS has continued to be a main source of income for women relative to men. In 1981, it accounted for 44.7% of women's income, and still accounted for 38.6% of women's income in 1996. The corresponding figures for men were 25.5% (1981) and 21.7% (1996).

Baldwin and Laliberte (1999) point to several issues that have yet to be examined. For example, they suggest that future research needs to take into account the retirement incomes of adult immigrants to Canada who are increasingly unlikely to come from countries with which Canada has signed a social security agreement and who will not be eligible for full OAS benefits.

Myles (2000) has shown that since the early 1980s lower-income seniors have made gains primarily due to the rise of income from contributory public and private earnings-related pensions. The growing importance of earnings-related pensions reflect a dramatic increase in the share of women receiving their own C/QPP pensions and the rapid growth of private occupational pensions in the 1950s and 1960s. He argues that during the 1980s, in particular, rising C/QPP benefits reduced

income inequality substantially, and that lower-income seniors disproportionately benefited from increased real incomes, resulting in the well-known decline in low-income rates among the elderly. Myles notes also that these results describe a particular moment in history in which the C/QPP was "rushed" to maturity by legislation that provided full benefits after 10 years of contributions. The share of disposable income (minus taxes) among the population 65 and over from these earnings-related pensions rose from approximately 21% in 1980 to 46% in 1996, whereas the share of income from OAS and GIS remained stable in the 1980s and declined slightly in the 1990s. In the case of unattached, elderly women, C/QPP income rose from 8% in 1980 to 23% of total income in 1995. Similarly, the share of private pensions rose from a low of 12% in 1980 to 22% in 1995. In contrast, OAS/GIS as a share of total income declined from 42% to 40%. Though the basic social security benefits of OAS/GIS changed little overall, they were, nevertheless, the largest source of rising income in the lowest income quintiles of seniors. Had these benefits not kept pace with the general rise in old age incomes, income inequality would have been greater. In contrast to recent years in which the C/QPP was a dominant and equalizing force among the elderly, it is now reaching maturity, Myles suggests, and trends in the next decade are more likely to be dominated by continued maturation of employer pensions (RPPs) and personal retirement accounts (RRSPs). These elements of the retirement income system, more highly concentrated among high-wage earners, are unlikely to continue the decline of inequality among the elderly.

The National Council of Welfare (1999c) has also examined sources of income for seniors, but has focussed particularly on "poor" seniors, and has compared poor couples, unattached men, and unattached women. Table 6 indicates the percentage in 1997 of poor seniors with income sources and average amounts received (i.e. poor seniors who did not receive a particular type of income were not included in calculating the average amount of that type of payment). The data suggest that the most important source of income was the OAS and GIS (the fact that less than 100% received these pensions is probably due to some poor, immigrant seniors not being eligible). The second most important source of income was the C/QPP. The other sources of income were much smaller in the average amount and in the proportion of poor seniors receiving them. For example, only 14% of poor, unattached men and 15% of poor, unattached women had income from occupational pension plans. Overall, a much higher proportion of unattached women were poor than unattached men, but the women on average had incomes slightly higher than the men.

Table 6: Sources of income for poor seniors, 1997

Source of Income	Poor Couples 65 and Over (65,000)		Poor Unattached Men 65 and Older (82,000)		Poor Unattached Women 65 and Older (359,000)	
	Percent Who Received	Average Amount to Recipient	Percent Who Received	Average Amount to Recipient	Percent Who Received	Average Amount to Recipient
Old Age Pension and Guaranteed Income Supplement	91%	$11,215	96%	$8,032	98%	$8,291
Canada and Quebec Pension Plans	84%	$5,875	81%	$3,807	72%	$3,948
Investments and Savings	27%	$1,341	sample too small		29%	$1,469
Provincial Supplements	20%	$1,827	23%	$1,995	23%	$1,087
Occupational Pension Plans	24%	$2,768	14%	$2,764	15%	$2,753
RRSPs	6%	$1,469	sample too small		3%	$2,544
Income from All Sources	100%	$17,864	100%	$12,661	100%	$12,818

Source: National Council of Welfare. 1999c: 69. Note: "Poor" represents those falling below Statistics Canada's low-income cut-off.

As Prus (2000) argues, the higher levels of economic well-being of elderly couples, relative to unattached seniors, suggest that the current set of private and public pension programs were designed to protect the stable family of the 1950s and 1960s and are unable to address adequately the more "fluid" families of recent times. Moreover, the uneven risk of poverty among unattached elderly women and men demonstrates that when women and men experience widowhood and divorce, the retirement income systems provide different levels of protection to them.

On average, women's lower age of retirement, along with the above labour market and family factors, makes them more vulnerable than men to low income in old age. Women not only live on lower incomes than men, their sources of income differ markedly from those of men. Government pension programs have been especially important in improving unattached, older women's economic situation, though they do not protect them very well from poverty or near poverty.

4. The Retirement Income System

The Canadian retirement income system has two aims. The first aim is to provide seniors with high enough incomes to ensure that they are able to live in dignity no matter what circumstances were during their working years. The second is to maintain, to a reasonable degree, their accustomed standard of living. The first objective serves an anti-poverty function and the second an income replacement function. Neither of these goals is being met adequately: more than 600,000 seniors live below the poverty line; and many seniors experience a sharp drop in income when they retire (National Council of Welfare, 1999b).

As we have seen above, the majority of seniors who have low incomes are women. The retirement income system is particularly remiss in protecting older women from poverty, and at best reinforces their low pre-retirement income. In large part, the retirement income system does not address the accumulation of women's disadvantages, mainly because it is based on a male model of employment and retirement. As Pateman argues, paid employment has become the key factor in the recognition of an individual as a citizen of equal worth to other citizens and to social entitlements of citizenship. The model of paid employment is constructed mainly from the experiences of men, with the result that the male worker is the prototype for much of the conceptualization of citizenship status and social rights. The construction of pensions based on men's primary work activities ignores three aspects of women's work: the degree to which it is unpaid; women's economic dependence on men; and the poor remuneration that women receive in paid work (Manery, 1999).

Government programs such as GIS, OAS and C/QPP have contributed to the substantial decline in old-age poverty during the last two decades. However, older women still face a high risk of poverty. While government programs serve elderly couples quite well, they do not protect women against the shift from being married to being unmarried (Prus, 2000).

Private pensions and savings have been limited in providing retirement income. The C/QPP, RPP and RRSP programs, in conjunction with an OAS pension, were designed to maintain a reasonable relationship between pre- and post-retirement income. In particular, the federal government encourages individuals to save for retirement through tax-advantaged private pensions and savings plans and assumes that the pension system will provide seniors with up to 70% of their pre-retirement earnings. Yet, according to Prus (2000), seniors receive only about 40% of their income from

private sources. Further, he argues that the objective of income replacement is met in a very skewed way. During the working years, private income is concentrated among careers characterized by early and long-term participation in a pension plan (especially in a defined-benefit plan offering full inflation protection). Only seniors from these careers are likely to sustain their standard of living during their retirement years. Recent labour market developments (e.g. an increase in the number of service sector, part-time, and non- permanent workers) make it likely that, unless mandatory pension plans, public or private, are expanded, the income-replacement goals of the retirement income system will continue to be met unevenly in the future (Prus, 2000).

If the earnings-replacement goal is met or surpassed, as in the case of very poor women and men (see Table 5 above), this may simply mean that their standard of living is maintained at a low level. For example, women with an average pre-retirement income of $5,700 had an income replacement ratio of 115%, which of course does not provide them with adequate income in retirement.

A major problem of private pensions and savings is that they do not accommodate childrearing very well. Many women use RRSPs to fund maternity leave. Most women are not covered by a private pension plan, not simply because of part-time work, but because they work in occupational sectors in which private pension plans are unusual (Townson, 1995b).

Ginn and Arber argue:

> The concentration of poverty among older women in western societies is sometimes viewed as a temporary problem arising from a past era when most women were homemakers. According to this view, gender inequality of income in later life will largely disappear due to younger women's greater employment participation and to various forms of 'career credits' in state pensions. Gender convergence in pension income may be more elusive than has been assumed. Gender differences in hourly pay, in types and levels of occupations, in hours of work and in continuity of employment persist. (cited in Doe and Kimpson,1999: 45)

Income Security Programs

Old Age Security (OAS)

The federal government established the Old Age Security pension in 1951 as a universal basic retirement benefit payable to all Canadians who meet residency requirements. In 1998, it covered about 3.7 million people aged 65 and over. Government expenditures on the program totaled about $18 billion (Baldwin and Laliberte, 1999). OAS is a flat rate, taxable benefit, fully-indexed to inflation and paid monthly to individuals when they reach age 65, regardless of employment history (Townson, 1995a). Since 1989, the benefit is no longer universal, but income-tested. The federal government imposed a

surtax of 15 cents per dollar on OAS recipients with incomes in excess of $53,215 per year until the surtax has taken the full amount of an OAS benefit (Baldwin and Laliberte, 1999).

OAS is particularly important to women who have had low incomes, an interrupted work career, been out of the labour force for long periods of time, or are unattached. For the first three months of 1994, the maximum monthly benefit was $385.81, equivalent to about 13% of the average industrial wage (Townson, 1995a). In 1999, the maximum monthly rate was $413.70 (Manery, 1999). Most women will be eligible to receive OAS benefits when they reach age 65, but those who are immigrants may not receive a full benefit. An individual must have lived in Canada for 10 years to be eligible for OAS, and for 40 years after age 18 to receive the full monthly benefit. In 1993, about 3% of all OAS recipients received a pro-rated benefit (Townson, 1995a).

Guaranteed Income Supplement (GIS)

The federal government provides a Guaranteed Income Supplement (GIS) that is income-tested and nontaxable. In 1998, it covered close to 1.4 million people aged 65 and over or about 37% of all OAS pensioners. The GIS expenditures were $4.9 billion for the year. The maximum annual supplement was $5,825 for a single pensioner or $7,588 for an elderly couple. A single pensioner with over $11,808 of income besides OAS is ineligible for GIS (Baldwin and Laliberte, 1999). Like OAS, GIS benefits are adjusted every three months according to the Consumer Price Index.

Provincial/Territorial supplements and other programs

Six provinces - British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia - and the Yukon and Northwest Territories provide income supplements for seniors, generally as a top-up to the federal GIS benefits. Also, some governments provide other benefits such as free prescription drugs, and various tax credits (Townson, 1995a). For example, British Columbia established a Bus Pass Program in 1967 for eligible beneficiaries - those who receive OAS and the GIS or the Spouse's Allowance, BC Benefits for a disabled person, or BC Benefits for a person who is 60 years or older. In 1998, about 40,000 individuals were beneficiaries. Manitoba established the 55 PLUS program in 1986, which provides quarterly income supplements to lower-income Manitobans who are 55 years of age and over. In 1997/98, the program assisted approximately 17,167 lower income seniors (Human Resources Development Canada, 2000).

The Spouse's Allowance

The Spouse's Allowance is a federal program that in 1998 covered about 99,000 people between the age of 60 and 64 who had low incomes. In 1998, total expenditures on the program were $390 million (Baldwin and Laliberte, 1999). Benefits are paid only to people who are currently married to a spouse who qualifies for GIS, or to widows and widowers whose income falls below a certain threshold.

As Townson (1995a) suggests, these government-sponsored programs are particularly important to women who are much less likely than men to have other sources of retirement income.

The Canada and Quebec Pension Plan (C/QPP)

The federal government and the province of Quebec introduced the Canada and Quebec Pension Plan (C/QPP) in 1966. The C/QPP is a mandatory, contributory employment program that provides benefits to pensioners 60 years and older. Those who wish to or are forced to retire at aged 60 are eligible to receive C/QPP benefits, but the rates are subsequently reduced by up to 30% until death (Baldwin and Laliberte, 1999).

The C/QPP also makes benefits available to disabled Canadians of all ages, survivor benefits to the legal spouses of C/QPP contributors, and a lump-sum death benefit. Almost everyone in the labour force is covered by C/QPP, except those who earn below an established minimum income, which may include self- employed, part-time, family workers, and migratory workers. In 1999, contributions were based on employee earnings exceeding the Year's Basic Exemption (YBE) of $3,500, up to a ceiling known as the Year's Maximum Pensionable Earnings (YMPE) of $37,400. The YMPE is linked to the average Canadian wage. Until recently, both the YBE and YMPE were adjusted annually, but as of 1998, the YBE is no longer fully indexed. The formula for calculating contributions is regressive because lower income earners pay a higher proportion of their income than higher income earners. In 1998, C/QPP expenditures amounted to $23 billion (Baldwin and Laliberte, 1999).

Eligibility for Survivor Benefits is based on having made valid contributions for a minimum of three years. Surviving spouses are eligible for benefits based on their partner's contribution, albeit at a reduced rate of 60% of their spouse's C/QPP benefits. In 1999, the average C/QPP survivor benefit was $451.00 per month. The maximum combined C/QPP survivors/retirement benefit at age 65 was $751.67. The CPP reports that 90% of survivors are women, but most do not receive the full benefit (Manery, 1999).

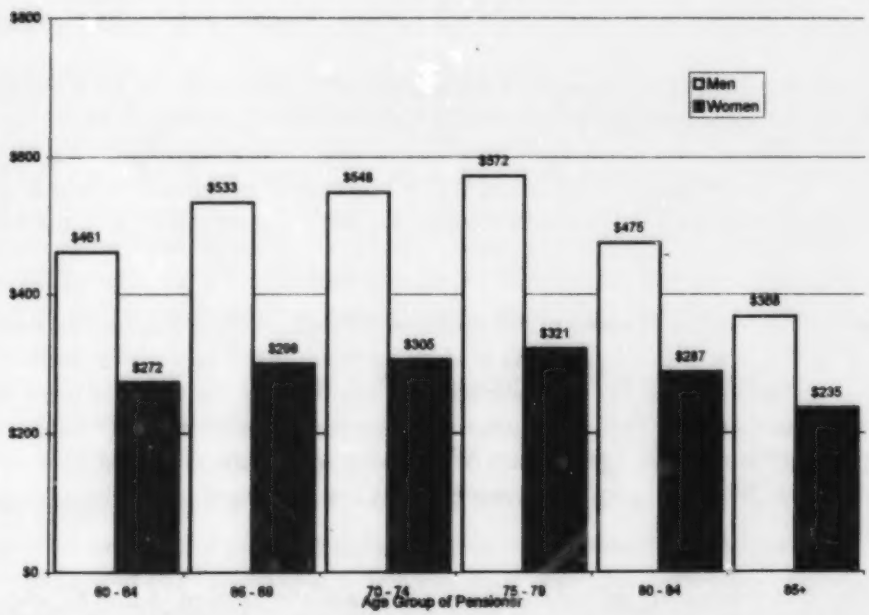
While Survivor Benefits address some of the problems of exclusion for married women who remain outside the formal labour force, little has been done to address coverage for women who have not yet reached retirement age. The Survivor Benefit provisions of the CPP has been challenged in the courts on the grounds of discrimination because same-sex partners have not been entitled to Survivor Benefits, and persons under age 35 years of age, who are not disabled and have no dependent children are ineligible (Manery, 1999). Survivor benefits are now legislated to be available to same-sex partners.

The C/QPP provides a disability pension to people between the ages of 18 and 65 who have been forced to leave the labour force due to physical or mental disability, and benefits for their dependent children up to the age of 18 (or 25 if enrolled in a post-secondary institution). Only those who have

amassed sufficient contributions can request disability benefits. Since these benefits do not cover medical costs such as expensive drug treatment, recipients frequently turn to provincial benefits to offset costs. In 1999, the maximum C/QPP disability pension was $903.55 per month. At age 65 the disability pension is converted to a retirement pension at a slightly lower rate (Doe and Kimpson, 1999).

The C/QPP poses difficulties for women. First, it reflects the lower earnings and contributions of women. While it recognizes part-time employment, for example, it does so only proportionately. Women who work part-time will have lower pensions than women and men who work full-time, and this has specific negative effects for women with disabilities (Doe and Kimpson, 1999). Second, benefit levels are set low in relation to earnings, in the expectation that private pensions will be the primary source of retirement income. The amount of the pension is equivalent to only 25% of the employee's average annual life earnings up to a monthly maximum. The discrepancy in the average monthly CPP pensions that women and men receive is evident in Figure 2. As an example, for pensioners aged 65 through 69, the average benefit paid to men was $533.00 a month and to women $299.00 - or 56% of the average amount paid to men.

Figure 2: Average monthly CPP retirement pensions



Source: National Council of Welfare, 1999b: 28, Graph D.

Townson (1995a) argues that the problem of women's low earnings should be addressed through measures such as pay equity rather than through transforming the C/QPP. She suggests, nevertheless, that because most women in the labour force are not covered by a private pension, the benefit level of the C/QPP is a serious problem. If the C/QPP benefit equivalent were increased, for example, to 50%, many retirement income problems for women would be addressed. When women retire, their pension will, in fact, probably be less than 25% of what they were earning before retirement because earnings are averaged over a lifetime and not over the last few years, when peak earnings are likely to occur (Townson, 1988).

Despite its limitations, Townson (1995a) argues, the overall structure of the C/QPP is ideal for women because it covers all paid workers, whether self-employed, full-time or part-time. It accommodates women's responsibilities for child care, allows for complete mobility between jobs and regions of the country, provides benefits for spouses of contributors at retirement, death and divorce, even when the spouse did not work outside the home. For those who have amassed sufficient contributions, the C/QPP provides benefits for those with disabilities and their dependent children and children of deceased contributors. The C/QPP is fully indexed to inflation.

Similarly, the National Council of Welfare (1999b) recognizes both problems and benefits of the C/QPP for women. The Council points out that women's difficulties in the labour force today will be replicated in the CPP pensions they receive in the future. Furthermore, benefits such as the survivor's pension keep women well below the poverty line. On the other hand, the Council argues that several features of C/QPP help address women's disadvantaged position, in particular "credit-splitting" and the "child-rearing dropout." Provisions allow pension "credits" or entitlements to future pension benefits to be split between spouses if their marriage breaks down. Under credit- splitting, all pension credits earned by both spouses during their lives together are added up and divided in two. Credit- splitting is in principle mandatory, but in practice is not automatically followed up; in the twenty-year period since the option became available (1978), only 82,772 applications had been made (National Council of Welfare, 1999b). In addition, even though pension credits have been earned disproportionately between partners, upon retirement, couples may decide voluntarily to split pensions equally.

Many have lauded the "child-rearing dropout" provision of C/QPP, which allows parents to exclude years when they had a child under the age of seven from the calculation of average lifetime earnings on which their CPP/QPP retirement benefit will be based (Townson, 1988). As others have suggested, however, a major problem for women is the lack of an "elder care drop out" (McDonald, 1996). Gee (2000) argues that the lack of progressive reforms in the public pension system affects women particularly, as they are less likely to be covered by private pensions.

Gee and McDaniel (1993) are critical of the view that public pensions are a burden whereas "private" pensions and RRSPs - though they are heavily state-subsidized - do not drain the public

purse. While the C/QPP plays a pivotal role in the retirement income system and is functioning effectively, Baldwin and Laliberte argue (1999), it is the subject of intense political attacks.

Occupational Pensions Plans

Occupational pension plans - sometimes referred to as private pension plans, company pension plans, registered pension plans (RPP) or employer-sponsored pension plans — are sponsored by employers, labour unions and professional organizations. In contrast to the C/QPP, which covers almost all members of the paid labour force, occupational pension plans covered only about 41% of paid workers in 1997. Less than one-half of all occupational plan members have full protection against inflation and most of these members are in the public sector (National Council of Welfare, 1999b).

Federal or provincial governments regulate most occupational plans according to certain minimum standards. For example, under the revised federal Pension Benefits Standard Act, full- time employees must be able to become members of existing plans after two years on the job, and part-time workers are eligible to join if they earn at least 35% of the Year's Maximum Pensionable Earnings (YMPE) under the C/QPP for two consecutive years. Neither the federal government nor most provincial governments make specific provision for marriage breakdowns and the sharing of future pension benefits between spouses (National Council of Welfare, 1999b).

In 1997, about 73% of plan members belonged to a contributory pension plan - which means that both employer and employee contribute - rather than a non-contributory plan, in which the entire cost of the plan is borne by employers. Contributions by both employees and employers are tax-deductible. Workers with the largest contributions get the largest tax breaks (National Council of Welfare, 1999b).

Occupational pension coverage varies widely according to industry. In 1992, 86% of employees in pubic administration were covered in comparison with 26% in the business and personal services industries. Coverage tends to be higher in unionized sectors and in large rather than small firms (Baldwin and Laliberte, 1999). Pension coverage among public sector employees accounts for almost one-half of all occupational pension plan members (Prus, 2000). Coverage also corresponds to employment income. In 1996, only 4% of the poorest wage- earners (earning less than $10,000 a year), belonged to contributory plans and their average contribution was $253.00. In contrast, 51% of employees earning between $40,000 and $50,000 belonged to such a plan and contributed on average $3,121 per year to the plan. Not only do the latter workers receive a much larger pension than the former, they get a larger tax break as a result of their contribution (National Council of Welfare, 1999b).

As noted above, most workers in the public sector (defined by Statistics Canada as "government services") have private pensions. However, few employed women work in the public sector. For example, only 6.5% of employed women in 1992 worked in this sector. Almost one-half (49%) of employed women worked in community, business and personal services. Another 15% worked in retail and wholesale trade (Townson, 1995a).

As can be seen from Table 7, relatively few people in the labour force participate in employer-sponsored pension plans. Women generally have less access to employer-sponsored pension plans, but their coverage has increased, and the gap between women and men has narrowed. In 1987, for example, 39.4% of male, labour force participants were covered by a registered pension plan (RPP), whereas only 29.9% of their female counterparts were. In 1997, men's coverage had declined to 33.5% while women's had increased to 32.4% (down from its peak in 1993). Women's coverage is still slightly less than men's and, more critically, because of lower labour force participation and lower wages, their benefits are significantly less than those of men. In 1997, only 26% of single, senior women received RPP benefits, which on average amounted to $7,508 in contrast to single, senior men who received on average $13,119 (Baldwin and Laliberte, 1999).

Table 7: Percentage of labour force* and paid workers covered by a Registered Pension Plan (RPP), by sex

Women	1987	1989	1991	1993	1995	1997
Number of RPP members	1,762,716	1,981,138	2,188,827	2,248,561	2,255,348	2,246,847
Percentage of labour force	29.9%	31.8%	34.0%	34.1%	33.5%	32.4%
Percentage of paid workers	35.8%	37.4%	40.8%	41.9%	40.6%	39.9%
Men						
Number of RPP members	3,082,391	3,128,225	3,129,263	2,966,086	2,894,564	2,841,608
Percentage of labour force	39.4%	39.0%	38.9%	36.4%	35.1%	33.5%
Percentage of paid workers	48.4%	47.0%	49.2%	46.8%	44.0%	42.3%
Both Sexes						
Number of RPP members	4,845,107	5,109,363	5,318,090	5,214,647	5,149,912	5,088,455
Percentage of labour force	35.3%	35.9%	36.7%	35.4%	34.3%	33.0%
Percentage of paid workers	42.9%	42.7%	45.4%	44.6%	42.4%	41.2%

Source: Statistics Canada. 1998. Cat. 74-401-XPB: 18. *The data used from the Labour Force Survey are annual averages for 1987, 1989, 1991, 1993, 1995 and 1997 to which the number of Canadian Forces members was added. The difference between the labour force and paid workers is equal to the sum of unpaid family workers, the self-employed (in unincorporated companies) and the unemployed

As Townson (1995a) argues, women's biggest problem with the private pension system is that so few have access to it. If they do have access to it, they face other problems. The type of plan they belong to may offer poor benefits and intermittent participation or part-time employment may affect their eligibility for pension benefits. Women's low coverage by employer-sponsored pension plans largely reflects where women work and their lower membership in unions (Townson, 1988).

Occupational pension plan coverage peaked in 1992 at 45% of all paid employees and declined to 41% in 1997. During this period, men's coverage dropped and women's coverage leveled off and declined slightly. Government downsizing both at the federal and provincial levels has been a major contributor to this trend. Between 1989 and 1998, cut backs reduced employment in public administration by 10%. The decline in coverage is also due to the fact that new employment over the last decade has tended to be in service-producing industries. Since 1989, just over 1.4 million new jobs in service-producing industries were created (a 15.2% increase) whereas just 11,000 new jobs in good-producing industries were created (a 0.3% increase) (Prus, 2000).

In 1997, the federal government expended an estimated $13.7 billion in tax breaks associated with RPPs: $5.2 billion in deductions for contributions and $8.5 billion for the non- taxation of investment income. The cost of tax deductions for contributions was offset by the $5.5 billion that was recovered with the taxation of withdrawals. Assuming a cost to the provinces of 50% of the federal tax concessions, it is estimated that the total tax breaks linked to RPPs is about $12 billion (Baldwin and Laliberte, 1999).

Registered Retirement Savings Plans (RRSPs)

Employer-sponsored RPPs and RRSPs are the two main tax-assisted vehicles for retirement income planning in Canada (Akyeampong, 1999). In 1995, RRSPs outflanked for the first time RPPs as the main mechanism for retirement savings (Prus, 2000). In the last 15 years, women have accounted for most of the growth in RRSP participation (Frenken, 1997).

Despite the growth, women continue to participate less than men in contributing to RRSPs and contribute on average lesser amounts. In 1997, 33.5% of eligible female taxfilers put money into RRSPs, compared with 39.1% of men. Participation rate also varied with income. For example, only one in 20 eligible taxfilers with an annual income of less than $10,000 put money into RRSPs, compared with 18 in 20 of those with incomes of $80,000 or more. Moreover, women's average RRSP contributions were less than men's (about $3,200 vs $4,500). Average contributions also varied with income. For example, the average for taxfilers with incomes less than $10,000 was $1,100, compared with $9,600 for those with incomes $80,000 or more (Akyeampong, 2000).

Since RRSP contributions are limited to a percentage of earnings, those with higher income are able to contribute more and to save more on taxes (Townson, 1997b). In 1996, the net cost of RRSPs to governments was $18.9 billion (Revenue Canada, 1998).

Chapter III

Women, Mandatory Retirement and Adverse Effects

What is mandatory retirement?

Contrary to some popular misconceptions, mandatory retirement - the requirement that employees stop working in a particular position once they reach some specified age (typically 65) - is not based in law. Mandatory retirement is a social practice buttressed by a combination of social custom and pension incentives/disincentives (Gee and McDaniel, 1993). No legislation at the federal or provincial level mandates that a person must retire at a specified age. Rather, the law has permitted employer personnel policies or negotiated collective agreements to recognize mandatory retirement.

Many workplace pension plans have provisions that require plan members to retire no later than the age of 65 (and some require retirement before 65). This requirement is sometimes referred to as mandatory retirement. If a worker must cash out their pension at age 65 there is nothing to stop them from continuing employment, if not with the same employer, then with another. Mandatory retirement restrictions may apply also to occupational requirements; the Canadian Human Rights Code allows employers to establish a mandatory age on the grounds of bona fide occupational requirements.

While mandatory retirement discriminates against people on the basis of age, the Supreme Court of Canada has ruled that such discrimination can be "reasonable" and demonstrably justified in specific cases (Townson, 1997a). Provinces differ in the ages that they protect against age discrimination. For example, British Columbia prohibits age discrimination 19 years or more and less than 65 years; Alberta covers all ages over 18; Saskatchewan covers 18-64, and Ontario 18-65. Provinces such as Manitoba, Quebec and Alberta have legislation to protect employees beyond the age of 64 from age discrimination in employment, thereby eliminating mandatory retirement. The federal government has eliminated mandatory retirement for its own employees (Adams, 1992).

Furthermore, mandatory retirement differs according to particular industries and particular jobs, and is only likely to exist when private pensions are available. Based on one survey, Herzog (1980) estimated that 40% of employers in British Columbia had mandatory retirement rules. A worker who receives only the OAS and CPP/QPP pension payments and does not have a private pension is rarely

required to retire at a specific age by his/her employer. Moreover, most persons who work for employers with a mandatory retirement policy are not forced to retire at the specified retirement age. Many other factors such as death, poor health, layoffs and early retirement will likely claim most employees before the normal retirement age (Dunlop, 1979). Other research suggests that relatively few workers are seriously constrained by mandatory provisions. One study estimates that only about 7% of those bound by mandatory retirement rules are actually constrained by them (Krashinsky, 1988).

The practice of mandatory retirement, nonetheless, carries with it both benefits as well as burdens for the older worker and has developed in conjunction with the spread of pension plans during the last few decades. Many powerful trade unions in Canada want to be able to negotiate mandatory provisions into the pension plans contained in their collective agreements. The labour movement's opposition to the possible abolition of mandatory retirement is reflected in Canadian Labour Congress Resolution No. 377 passed in 1980 and confirmed in 1982:

> Whereas the organized labour movement has fought hard and long legislative battles to establish the mandatory retirement age of 65 years, whereas the labour movement has to press for a lowering of the retirement age with adequate pensions in order that workers may enjoy a few years of leisure in good health;....be it resolved that the Canadian Labour Congress is opposed to the erosion of the mandatory retirement system and that the current permissive legal framework be maintained so that the unions that wish to accept mandatory retirement are free to do so and those that wish to eliminate it can do so through collective bargaining. (Adams, 1992: 3)

Some view mandatory retirement as a normal component of the terms and conditions of employment and others view it as a practice that violates the human rights of Canadians to make their own work-related decisions (Dunlop, 1979). Mandatory retirement as a human rights issue rests on the notion of "freedom of contract" between employer and employee, but also has been challenged as a form of age discrimination and the freedom of individuals to work no matter what their age, as long as they are competent.

In its Annual Report (1999: 43), the Canadian Human Rights Commission states that it would like to see section 15(c) of the Canadian Human Rights Act removed. This section permits age discrimination in terminating a person's employment when he or she has reached "the normal age of retirement for employees working in positions similar to that individual." The Commission refers to mandatory retirement as a form of institutionalized age discrimination for various reasons. It creates hardship for those who cannot afford to retire, such as workers who have experienced long periods of unemployment, older workers who have low-wage jobs and no pension plan, and women who enter the labour force later in life or have interrupted their careers to care for children. The Commission believes that: "competence should be the sole criterion for determining whether employees remain

in their jobs. The sex, race, colour or sexual orientation of workers should not be a factor in determining whether they remain employed. Neither should their age."

Increasingly, the debate about mandatory retirement - whether it is discriminatory or not, or to what extent it is discriminatory - has recognized that women have a particular stake in the issue. Some argue that mandatory retirement has particularly adverse effects on women. The Supreme Court of Canada has upheld mandatory retirement in those provinces with no human rights legislation protecting older workers. If an employer wishes to prevent individuals from working past age 65, the courts will not strike down the policy as discriminatory. In effect, the Court provided a legitimate foundation for age discrimination in Canada (McDonald, 1995). But in Dickason v University of Alberta (1992), in a dissenting opinion, L'Heureux-Dubé argued that mandatory retirement entails both age and sex discrimination:

> Women are penalized, in particular, because they tend to have lower paying jobs which are less likely to offer pension coverage, and they often interrupt their careers to raise families. These socio-economic patterns, combined with private and government pension plans which are calculated on years of participation in the workforce, in some ways make mandatory retirement at age 65 as much an issue of gender as of age discrimination. (cited in Day and Brodsky, 1998: 141)

Most human rights authorities believe that employers and employees ought to be able to negotiate employment terms without being bound by arbitrary age limits. But as Herzog (1980) argues, the abolition of age-related job discrimination is not a simple matter of social justice. Numerous programs and institutions have developed over the years based on the belief that the over-65's would withdraw from the work force. As a result, it is difficult to change the rules on retirement without re-examining all of the other ways in which we satisfy (or fail to satisfy) our obligations to senior citizens. Employee and social benefit schemes such as group life and disability insurance, pension plans, tax structures, and many social welfare schemes for seniors are predicated on 65 being the normal retirement age. As Adams (1992: v) notes, "(t)he social security system is premised on the identical age-based entitlement criteria." The widespread and longstanding reliance throughout Canada on the permissibility of mandatory retirement prompted Supreme Court Justice La Forest to say it had become "part of the very fabric of the organization of the labour market in this country" (Adams, 1992: 13).

Programs such as OAS, GIS, and the CPP/QPP began providing retirement income for Canadians in the 1950s and 1960s and currently pay their retirement benefits beginning at age 65 (reduced benefits are available at age 60 from C/QPP). As companies developed their private pension plans, they designed these plans to complement and to be integrated with government pensions. As a result, the age of 65 became significant in pension plan design, adopted by many organizations as

the mandatory retirement age (Dunlop, 1979). Adams (1992) notes that its abolition could potentially affect other employees equally in need and who too might make section 15 Charter claims.

Canadian researchers have argued the pros and cons of mandatory retirement, but evidence of its influence on retirement decisions is meager. As Gee and McDaniel (1993) suggest, the time has come for researchers to turn their attention to the consequences of the Supreme Court position. But as McDonald (1996) notes, because mandatory retirement is intertwined with OAS and employer pensions, such research is not easy to do. Also the current trend to early retirement should diminish the numbers of persons influenced by mandatory provisions, although this in no way eases the consequences of the experience for those affected.

To what extent does mandatory retirement adversely affect women?

To answer the question regarding the extent to which mandatory retirement has an adverse effect on women, it is important to define what is meant by adverse effect. Adverse effect discrimination arises where practices have a discriminatory effect on an individual or a group because it imposes on them obligations, penalties or restrictive conditions not imposed on others. The Supreme Court first recognized adverse effects discrimination in 1985 and this form of discrimination has now become an accepted principle of law in Canada. However, human rights tribunals and courts are still struggling with the effective application of this principle (Day and Brodsky, 1999).

The meaning of adverse discrimination becomes clearer with another important distinction: formal equality versus substantive equality. Formal equality rests on the idea that "equality is achieved if a law, policy or practice treats likes alike. For example, if it is assumed that men and women are alike, an absence of different treatment in the form of the law, policy or practice, together with its universal application, are thought to make men and women equal" (Day and Brodsky, 1999: 134). In contrast, substantive equality is concerned with disparities between groups that are historically and structurally produced. It is the effects of laws, policies and practices, not the absence or presence of facial neutrality that determine whether they are discriminatory. In other words, "(t)here is an understanding that discrimination is not simply a matter of the bigoted behaviour of individuals. Rather, it is principally the 'normal' function of central institutions which perpetuates the inequality of women and other disadvantaged groups" (Day and Brodsky, 1999:136)

Day and Brodsky suggest that recent interpretations in jurisprudence have given life to the minimalist language of the Canadian Human Rights Act and provincial human rights laws. Courts and tribunals widely acknowledge now that women's inequality has historic roots and structural dimensions. The basic principles that they recognize in jurisprudence include: the group dimensions of women's inequality; women, not men, as a group experience sex inequality as a problem; the grounds of discrimination are not rigid, watertight compartments, but often intersect with each

other; affirmative structural responses by governments and others to women's substantive inequality are needed; and adverse effect discrimination requires effective response.

As Jackman (1995: 383) puts it, "a substantive conception of equality focuses on the interplay between the law and the actual circumstances of the individual or group whose rights are at issue." Moreover, the constitutional concern for the equality of women in general addresses the equality of women who are members of other specifically enumerated groups, or groups analogous to them. This includes the disparate impact of social practices and policies on women who are poor, Aboriginal, disabled, elderly, and so on. Significantly, judges have recognized that adverse effects on some women, not necessarily women in general, can constitute sex-based discrimination.

Day and Brodsky (1999: 121) suggest that discrimination against women can only be addressed if linkages between various forms of structural disadvantage are investigated:

> (W)omen's poverty and economic inequality are a manifestation of structural and systemic discrimination based on sex, race and disability. Any guarantee of non-discrimination or equality must be able to address the linkage between gender, race, disability and economic inequality if it is to be successful as a tool for advancing women.

At a minimum, conditions should be in place that ensure government programs do not discriminate against women, either in their intent or their effects. However, consistent with the affirmative reading of the Supreme Court or Charter, conditions should go further in affirmatively recognizing and promoting equality (Jackman, 1995).

Mandatory retirement and adverse effects

On the face of it, mandatory retirement is a neutral practice with regard to gender. Both women and men are subject to it. But the ways that mandatory retirement is practiced and its effects on women, research suggests, disadvantage women relative to men. As the research in this report shows, women who have to retire at age 65, in comparison with their male counterparts, have had less chance to prepare economically for their retirement. Women, relative to men, are paid less, have less access to private pensions and other benefits as well as secure, "standard" jobs, have had greater interruptions to their employment, are more responsible for unpaid work and are more subject to marriage commitments. These factors have led to greater poverty among older women (especially those who are unattached) than their male counterparts. Due to historic, systemic inequalities, women are less economically prepared then men for retirement at age 65, yet they may be required to retire at the same age as men. As such, the effect of mandatory retirement is not "neutral." As a social practice, mandatory retirement takes the work experiences of men as the normative standard; it ignores the many ways that women's life experiences differ from men's and, therefore, how it may have discriminatory effects on women.

While some of these patterns may be associated with earlier generational patterns, women who are now approaching the age of retirement will continue to suffer the accumulation of their economic disadvantages. In contrast, younger generations of women are benefiting from declining wage gaps between women and men, and are employed for longer periods of time than older women have been. But the structural problems that face women are not simply a matter of the legacy of older women's disadvantages that result, for example, from full-time homemaking. Younger women, though more fully participating in the labour force, are faced with the proliferation of non- standard jobs, and - with the decline of social and community services - increased responsibilities for the health and welfare of family and community members. Younger women are still subject to an entrenched system of occupational and educational segregation, the many inequities associated with it, and the prevailing invisibility and devaluing of domestic and community work.

Despite the compelling argument that mandatory retirement adversely affects women, younger as well as older women, it would be premature to conclude that mandatory retirement should be eliminated. Though its removal may help some women, such a step is not likely to address the pervasive structural problems shared by most women (e.g. those without private pension plans). In addition, other differences among women also need to be taken into account. The systemic factors that adversely affect women's economic position are compounded by Aboriginal status, visible minority status, immigration status, disablement, sexual orientation, and so on. It is important to consider the ways in which economic polarization may be occurring among women. It is necessary to think about the extent to which mandatory retirement may discriminate against some women (particularly those who are covered by private pensions, are well educated, and enjoy other advantages), but help protect less advantaged women.

The abolition of mandatory retirement and adverse effects

While mandatory retirement adversely affects some women - particularly those in well-paying jobs with pension plans - it affords protection for other women, for example, those in low- paid jobs, who in reaching the age of 65 are eligible to receive a public pension. The existing basic pensions such as OAS and GIS protect some women from poverty more than the available job market. Women in low-income jobs before the age of 65 are likely to end up in low-income jobs (if they are available) after reaching that age, and therefore, have little opportunity to improve their economic position. In other words, mandatory retirement has different implications for women in different socio-economic circumstances and adversely affects some women but not others.

It would be a mistake to conclude that because mandatory retirement adversely affects some women, it should be abolished. Though the removal of mandatory retirement may initially seem benign - it would appear to give people more "choice" about when to retire - it may in fact contribute to a process that would threaten other available retirement schemes. The elimination of mandatory

retirement could have far-reaching consequences that would jeopardize the hard-won benefits and rights that come into effect at age sixty-five.

If mandatory retirement were abolished, the age of eligibility for pensions may be delayed, and the benefits of public pensions diminished. A delay or a reduction in pensions would be particularly disadvantageous to older women who, compared with men, have fewer, alternate sources of retirement income. Women who are already poor, or who are subject to multiple forms of discrimination, may suffer more from the banning of mandatory retirement and the corresponding introduction of more private and flexible pension plans, than from the current permissibility of mandatory retirement.

Mandatory retirement should not be addressed in isolation; it is not simply a separate, social practice (Adams, 1992). It is deeply embedded in workplace negotiations, pension designs, and retirement patterns. And it has different effects on different women and men. To insist on the elimination of mandatory retirement without providing other safeguards could create even further adverse effects for women. The removal of mandatory retirement could end up creating more serious and pervasive systemic discrimination.

The risk of transforming "a right to work" into an "obligation to work"

As Dunlop (1979: xii) notes, "(i)t is important to recognize that whether mandatory retirement is a discriminatory act that requires redress by federal and provincial governments is essentially a value judgment based on the prevailing ethics of the society." Responses to this question also depend on which groups of workers one has in mind. The question of discrimination needs to take account of who is most adversely affected.

Adams (1992) suggests that the elimination of mandatory retirement might suit the interests of privileged groups of workers rather than the less fortunate. In referring to one of the judgements that supported York University's mandatory retirement policy against a Charter challenge, Adams writes: the claim "to 'a right to work' by one of the most privileged groups of workers - university professors - carried with it the risk of being transformed for the less fortunate into 'an obligation to work' past 65 should the age of entitlement to our public security benefits be revised upwards as it has in the United States" (1992: 9).[14]

Before abolishing mandatory retirement, the labour market and pension implications need to be understood. In the current social and economic climate of rapid change and restructuring, an exami-

[14] In 1983, the U.S. Congress enacted an across-the-board benefit cut that will grow to about 13% in 2022. The benefit cut entails a gradual increase from 65 to 67 in the age at which unreduced benefits are first paid (Aaron and Reischauer, 1998).

nation of the context is all the more necessary. Legislation needs to protect the interests of the less advantaged, and the existing research supports the notion that the elimination of mandatory retirement could most adversely affect the poor, women, and other disadvantaged groups.

Mandatory retirement may be discriminatory against some women, but it is a small part of the much larger problem of systemic discrimination that needs to be addressed. Adams acknowledges the difficulty of determining the extent to which mandatory retirement is discriminatory. He suggests, nevertheless, that other measures might be more effective in addressing the problem of women's interrupted work histories:

> Mandatory retirement illustrates the challenge of applying very general Charter values in a complex and market oriented democratic society. Distinctions and even 'discriminatory' distinctions are common to much of our regulatory structures. Whether such laws offend our Charter is something over which there can be honest differences of opinion and this is increasingly so in a culturally and morally diverse country like Canada....(I)t is debatable whether judicial repeal of mandatory retirement would have adequately responded to (the plaintiffs') concerns. For example, might not mandatory private pension plans, mandatory portability of private plans, adequate day care, and social security contributions for women who work in the home caring for our children be better responses to the interrupted work histories of many women? (Adams, 1992: 13-14)

In being "gender neutral," and having adverse effects on women, mandatory retirement is not an isolated practice, and it is not the most important. Mandatory retirement is part of a complex web of supposedly neutral, systemic obstacles that render women's experiences invisible. Other policies and practices (e.g. pension plans based on employee contributions, the lack of appropriate child care, the use of retirement replacement ratios as an indicator of pension adequacy) - that treat men's experiences as normative and standard - shield from rigorous scrutiny the complexity and the pervasiveness of the systemic discrimination that women experience.

Chapter IV

Conclusion

Mandatory retirement is largely a private pension issue. Most employed women, because of the kind of work they do (non- standard, poorly paid with few benefits and entitlements), do not have access to private pensions and therefore would not be covered by mandatory retirement rules. Moreover, much of women's work (such as caregiving) takes place outside the labour force, which is another reason why women are poorly covered by private pensions.

Though the removal of mandatory retirement may initially seem benign - it would appear to give people more "choice" about when to retire - it may in fact contribute to a process that would threaten other available retirement schemes. The elimination of mandatory retirement could have far-reaching consequences that would jeopardize the hard-won benefits and rights that come into effect at age sixty-five. To insist on the elimination of mandatory retirement without providing other safeguards could create even further adverse effects for women. The removal of mandatory retirement could end up creating more serious and pervasive systemic discrimination.

To address the poverty of older women (especially those who are unattached), it is necessary to focus on pension programs that support women in their old age regardless of their employment history and marital status. In general, women have much less control over their employment opportunities than do men due to the historic patterns of the labour market, family, community and the state. Moreover, when marriages dissolve, be it through separation, divorce or widowhood, women are more likely than men to be thrust into poverty. Women have had far fewer opportunities than men to accumulate income, to use it for their own purposes, to save and to invest.

The analysis of adverse effects must look also at the complex ways that women may be polarized economically between those in fairly secure, high-paid, standard jobs and those in insecure, low-paid, non-standard jobs, or in no jobs at all. Human rights agencies and government need to address the interacting dimensions of inequality, and the various ways that some women may be adversely affected by social practices such as mandatory retirement, as opposed to other women. In particular, agencies need to address the plight of older women who suffer multiple, compounding disadvantages. It is unlikely that the market alone will address systemic discrimination.

The claim to "a right to work," often made by the more privileged, may carry with it the risk of being transformed for the less fortunate into "an obligation to work" past 65. Rather than the elimi-

nation of mandatory retirement, other measures (e.g. mandatory private pensions, expanded OAS and C/QPP benefits) may more effectively address the low income of older women.[15] Furthermore, measures that recognize the social and economic significance of family and community caregiving (e.g. adequate child care), that aim to overcome occupational segregation, pay inequity, unemployment and underemployment are likely to be better responses to the dilemma of women's poverty.

This report concurs with the Bill Black report on British Columbia's human rights legislation, which recommends that an extension of protection against age discrimination to people over the age of 65 be accompanied by an exemption allowing mandatory retirement. Until mandatory retirement can be studied with the thoroughness that is necessary, the exemption should apply (Black, 1994). Further research on the various implications of mandatory retirement and its effects on diverse groups of women is required. We need to examine mandatory retirement within its broader context and understand how it is linked to other social policies such as public pensions.

The literature review undertaken in preparation of our report suggests questions for future research (see Appendix) that need to be considered to understand the economic status of older women in Canada and the implications for mandatory retirement.

[15] Manery (1999), for example, argues that the government should consider increasing basic retirement benefits to above poverty lines and establishing a safety net that protects the vulnerable against the harshest effects of market failure.

Appendix

Research Questions

- What impact would a delay in retirement age have on older women's economic security?
- To what extent do OAS, GIS and other government pension plans protect specific groups of women (e.g. Aboriginal, visible minority, disabled, immigrant) from poverty?
- What options are available to the income security system if mandatory retirement were eliminated?
- What impact is the clawback of OAS having on different groups of older women and their income security?
- What kinds of jobs are available for low-income women who are 65 years or older?
- What impact do low coverage rates and low levels of full indexation in private pensions have on older women's retirement readiness?
- What impact would mandatory private pension plans have on improving older women's economic security?
- What workplace measures would reduce women's interrupted work history and increase men's caregiving responsibilities (e.g. paid maternity and paternity leaves; caregiver leaves)?
- What community measures would reduce women's interrupted work history (e.g. child/elder care)?
- To what extent is the current trend of economic restructuring having an impact on the kinds of jobs available to women and their caregiving responsibilities?
- To what extent is a polarization of jobs (high paying, standard jobs vs. low paying, non-standard jobs) between women occurring, and how does such polarization have an impact on older women's economic security?
- What impact does the hidden or underground economy have on older women's economic security?
- Why has older women's (65 and over) labour participation rate been stable (declining slightly) during the past several decades, when the participation rate has climbed dramatically among younger women?
- How is the employment rate of women 65 and over related to mandatory retirement or to other factors such as gender or age discrimination?

- What might the differential effects be for different groups of women if mandatory retirement were abolished?
- What research has been done on the impact of the elimination of mandatory retirement on different groups of older women in jurisdictions inside Canada as well as outside it?
- What proportion of women are covered by mandatory retirement rules? How does the coverage differ according to occupational and industrial sectors? How do these women's working conditions, pay scales, etc. differ from women who are not covered by mandatory retirement rules?
- How does women's occupational coverage by mandatory retirement rules compare with men's?
- What impact do pension plan designs that emphasize RRSPs rather than public pensions have on older women's economic situation?
- If mandatory retirement were eliminated, what impact would that have on age of eligibility for various pension plans?
- How do various dimensions of women's lives (e.g. aboriginality, disability, marital status, sexual orientation) interact in their impact on their economic situation as older women? For example, what proportion of older women who are simultaneously Aboriginal, unattached, and disabled live in poverty?
- To what extent do older, lesbian women suffer from economic disadvantage?
- How can measures that do not simply adopt a male standard of full-time, full-year employment be applied to analyses of women's economic situation?
- What impact is the changing profile of immigration in BC, and the increased proportion of visible minorities, having on the incidence of poverty among older women?

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